

Ms. Amanda H. Joyner
Medicaid Deputy Director
Louisiana Department of Health
Bureau of Health Services Financing
628 North 4th Street
Baton Rouge, LA 70821

July 15, 2016

Subject: Healthy Louisiana Medicaid Expansion – Risk-Bearing Managed Care Organization Rate Development and Actuarial Certification for the Period July 1, 2016 through January 31, 2017

Dear Ms. Joyner:

The Louisiana Department of Health (LDH) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound capitation rate ranges for the Healthy Louisiana, formerly known as Bayou Health, Medicaid Expansion program [42 CFR 433.204 b(1)] for the period of July 1, 2016 through January 31, 2017.

This letter presents an overview of the methodology used in Mercer's managed care rate development for the purpose of satisfying the requirements of the Centers for Medicare & Medicaid Services (CMS). This rate development process used Medicaid fee-for-service (FFS) medical and pharmacy claims, Bayou Health Shared Savings claims experience, Bayou Health Prepaid encounter data, and LBHP claims experience. It resulted in the development of a range of actuarially sound rates for each rate cell. The capitation rate ranges are summarized in Appendix A and represent payment in full for the covered services.

Medicaid benefit plan premium rates are "actuarially sound" if, for business in the state for which the certification is being prepared and for the period covered by the certification, projected premiums, including expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income, provide for all reasonable, appropriate and attainable costs, including health benefits, health benefit settlement expenses, marketing and administrative expenses, any government mandated assessments, fees, and taxes, and the cost of capital. Note: Please see page 2 of Actuarial Standard of Practice Number 49, *Medicaid Managed Care Capitation Rate Development and Certification*, issued March 2015 by the Actuarial Standards Board, http://www.actuarialstandardsboard.org/wp-content/uploads/2015/03/asop049_179.pdf.

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Expansion Population Rate Development Base Data and Adjustments

Capitation rate ranges for the Healthy Louisiana program were developed in accordance with rate-setting guidelines established by CMS. The rate development for the expansion enrollment relied upon base data and rate-setting adjustments used to develop the Bayou Health February 1, 2016 effective capitation rates. The expansion rate development relied primarily upon Family & Children (F&C) experience and rate adjustments. Please refer to the certification letter effective Feb 2016-Jan 2017, appended at the end of this document as Appendix E, for further details regarding these adjustments.

Certain rate adjustments used to develop the Healthy Louisiana capitation rates for the traditional Medicaid program were removed or revised in the development of the expansion rates. Furthermore, additional data adjustments were applied to reflect anticipated differences in the health status and utilization patterns of the expansion population. The adjustments removed or revised and additional adjustments applied will be discussed in the *Expansion Data Adjustments* section of this letter.

Rate Cell Structure

Expansion rates will vary by region as defined for the existing population: Gulf, Capital, South Central, and North. Additionally, rates are divided into four age groupings and segregated into Male and Female. The factors for each of these splits are shown in Table 1. Rate cells for maternity kick payments were created for the expansion population, but will receive the same rate as the existing population. Additionally, a Medicare Specialized Behavioral Health (SBH) rate cell was created to account for the rare but potential situation in which an individual is found to be eligible for Medicare retro-actively overlapping enrollment in expansion. Medicare eligibility disqualifies an individual for the expansion program; however the state will pay the MCOs to cover the SBH services not covered by Medicare incurred during any retro enrollment period. This service coverage is identical to the SBH-Only Dual eligible coverage; therefore the rate from the existing Bayou population for SBH-Dual Eligible will be used in this scenario.

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Table 1: Age Gender Factors

Rate Cell Description	Age/Gender Factor
Female Age 19 - Age 24	0.62
Male Age 19 - Age 24	0.50
Female Age 25 - Age 39	0.91
Male Age 25 - Age 39	0.81
Female Age 40 - Age 49	1.42
Male Age 40 - Age 49	1.39
Female Age 50 - Age 64	1.70
Male Age 50 - Age 64	1.94
SBH Medicare Eligible, All Sex/Ages	NA

Covered Services

LDH expanded State Plan covered services to include additional services required per section 4106 of the Affordable Care Act (ACA). Additional services consisted of certain preventive services, screenings, and new pharmacy requirements. The actuary considered the impact of these additional services on program costs, but did not make any explicit adjustments in rate development due to the relatively small incremental cost for these services compared to the additional expansion population rate adjustments.

Expansion Data Adjustments

Removed and Revised Data Adjustments

All F&C Adult applicable rate adjustments from the Bayou Health February 1, 2016 effective capitation rates were applied except for efficiency adjustments and trend. Trend was re-evaluated for all categories of service (COS). For pharmacy, emerging experience for F&C adults and SSI adults were reviewed to set the expansion trend. For all other COS, a weighting between F&C adults and SSI adults was applied to determine the expansion trend. The resulting trends by COS can be seen in Table 2.

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Table 2: Expansion Annual Trend Factors

COS Description	Expansion	
	Trend Low	Trend High
Inpatient Hospital	0.00%	1.00%
Outpatient Hospital	4.20%	7.45%
Primary Care Physician	1.55%	4.06%
Specialty Care Physician	1.58%	4.09%
FQHC/RHC	1.73%	4.18%
EPSDT	0.15%	3.27%
Certified Nurse Practitioners/Clinical Nurse	1.36%	3.93%
Lab/Radiology	7.23%	11.17%
Home Health	7.66%	11.63%
Emergency Transportation	9.85%	12.99%
Non-Emergency Transportation	9.22%	12.07%
Rehabilitation Services (OT, PT, ST)	10.09%	14.12%
DME	7.25%	11.22%
Clinic	2.03%	4.39%
Family Planning	1.16%	3.81%
Other	6.92%	10.84%
Prescribed drugs	8.12%	9.30%
Emergency Room	4.20%	7.45%
Basic Behavioral Health	1.90%	4.30%
Hospice	0.00%	1.00%
Personal Care Services	0.00%	0.00%
Inpatient Services -- Mental Health	4.00%	6.00%
Emergency Room -- Mental Health	4.00%	6.00%
Professional/Other -- Mental Health	4.00%	6.00%
All Categories of Service	4.82%	7.04%

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Additional Rate Adjustments

Several adjustments unique to the expansion population were developed to account for expected differences from our Bayou Health February 1, 2016 effective capitation rates. The four adjustments applied were acuity, pent-up demand, adverse selection, and reverse managed care. Some of these factors vary between the Gulf region and all other regions due to auto-enrollment of eligibles previously enrolled in the Greater New Orleans Community Health Connection (GNOCHC) program. The resulting factors by region and low versus high can be seen in Table 3:

Table 3: Expansion Assumption Factors

	Acuity	Pent-Up Demand		Adverse Selection		Reverse Managed Care
Region(s)	All	Gulf	All Other	Gulf	All Other	All
Low	1.125	1.093	1.101	1.027	1.036	1.052
High	1.306	1.093	1.101	1.034	1.047	1.052

Acuity

Acuity is a morbidity adjustment to account for the expected difference in health status between the current (F&C) population and the expansion population. The range of this factor was developed by reviewing other state expansion certifications, which had already gone through expansion, as well as review expansion experience where available. The resulting acuity factor range is set statewide at 12.5% - 30.6%.

Pent-up Demand

Pent-up demand was developed to capture the effect of people putting off elective medical services, because they had no access to health care or the access was at a prohibitive cost. This will increase utilization in the short-term, but will phase down over time. A separate factor for the Gulf region was necessary, because all of the GNOCHC population, which will be auto-enrolled July 1, 2016, already have access to professional services, which results in a lower pent-up demand expectation for this population. The GNOCHC population resides exclusively in the Gulf region. The weights and resulting factor are shown in Table 4.

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Table 4: Pent-up Demand Factors

	Projected Member Months 7/1/16-1/31/17 ¹			Pent-Up Demand Factor
	Non-Elderly Uninsured	GNOCHC ^{2,3}	Family Planning (FP)	
Statewide	868,147	423,850	929,355	9.8%
Gulf Region	243,191	423,850	260,337	9.3%
All Other Regions	624,956	0	669,018	10.1%

1 - Regional population estimated using Databook CY2014 enrollment (Physical Health Only)

2 - Current GNOCHC services include professional

3 - GNOCHC enrollees are exclusively Gulf region residents

Adverse Selection

Adverse selection accounts for the fact that the members in most need of care will have an increased awareness and motivation of obtaining coverage. This will result in a higher acuity for those enrolled in the initial months of the program relative to the total program population in the future.

Two existing program populations are being auto-enrolled effective July 1, 2016. These populations are the Family Planning (FP) program and the previously discussed GNOCHC program. Because these program populations are auto-enrolled, the adverse selection adjustment applied to these populations is 1.000. Details from a risk score analysis of an early adopting expansion state was used to inform the development of this factor. A high and low factor was developed to account for potential variation in how different segments of the anticipated enrolling populations may react to the new program. The adverse selection factor applied to the application process enrolling population ranged from 1.073 to 1.094. The final factors, after dilution with the auto-enrollment population, are shown in Table 5.

Table 5: Adverse Selection Factors

	Low	High
Gulf Region	1.027	1.034
All Other Regions	1.036	1.047

Reverse Managed Care

A reverse managed care factor was applied to recognize that managed care techniques may take time to be effective and to achieve efficient and effective care delivery. Therefore, adjustments were made to reflect the time to implement medical management to a new population. Reverse managed care factors were developed using 50% of the inverse of historical managed care

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factors used in early rate development for the Healthy Louisiana program. This effect is not expected for pharmacy, so it was set at zero. Details by COS are shown in Table 6.

Table 6: Reverse Managed Care Factors by COS

COS	Managed Care (MC) Factor	Reverse MC Factor
Inpatient	-21.1%	13.3%
Outpatient	-16.7%	10.0%
Professional	-6.5%	3.5%
Other	-13.9%	8.1%
Transportation	-4.5%	2.4%
Pharmacy	-25.2%	0.0%
SBH - IP	-30.0%	21.4%
SBH - ER	-10.0%	5.6%
SBH - Prof/Other	20.0%	-8.3%
Model Total	-9.5%	5.24%

Seasonality

Because the rate period is less than 12 months, and enrollment is expected to grow significantly during the projection period, the actuary considered including a seasonality factor in the rate development. However, after review, the actuary determined a seasonality factor was unnecessary.

Full Medicaid Pricing (FMP)

Beginning in April 2014, LDH implemented a series of program changes to ensure consistent pricing in the Medicaid program for hospital services, including inpatient hospital, outpatient hospital, hospital-based physician, and ambulance services. This change required the use of FMP in the calculation of per member per month (PMPM) payments to managed care organizations (MCOs). LDH expects this rate increase will lead to increased payments to those providers contracting with the MCOs to maintain and increase access to inpatient hospital, outpatient hospital, hospital-based physician, and ambulance services to the enrolled Medicaid populations. Mercer and LDH reviewed the aggregate funding levels for these services between the base period and the contract period and determined that an addition to the historical data was necessary in order to ensure the capitation rate ranges reflect adequate statewide pricing levels. Separate adjustments were made to each of the four services to capture the full impact of statewide funding.

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FMP adjustments were implemented for inpatient and outpatient services effective April 2014. Physician and ambulance FMP adjustments were implemented effective July 2015.

FMP Pricing Methodology

The actuary relied upon development of FMP from the existing February 1, 2016 rates to determine the inpatient, outpatient, physician, and ambulance FMP amounts. Using the February 1, 2016 SSI and F&C adult rates, Mercer reviewed the relativities of each FMP category with respect to the corresponding limited rates and derived the FMP estimates specific to the expansion population, as shown in Table 7.

Table 7: FMP Estimates by Region

Region	FMP (excluding premium tax)			
	Hospital (IP/OP)	Ambulance	Physician	Total
Gulf	\$67.42	\$5.33	\$12.06	\$84.80
Capital	\$64.86	\$4.55	\$22.56	\$91.97
South Central	\$62.49	\$2.61	\$21.62	\$86.72
North	\$65.59	\$4.96	\$6.76	\$77.31

Non-Medical Expense Load

The actuarially sound capitation rate ranges developed include a provision for MCO administration and other non-medical expenses. Administrative cost for the Expansion population was developed to be consistent with the aggregate February 1, 2016 SSI Adult and F&C Adult rate cell administrative loads. Final Administrative cost expectation for the expansion population is \$29.38 PMPM.

Additionally, provision has been made in the rate development for a 2.00% underwriting gain calculated before applying any adjustment for FMP. Final rates also include provision for Louisiana's 5.50% premium tax, which changed from 2.25% per Act No. 1 of the 2016 Second Extraordinary Session. The FMP PMPMs include provision for premium tax only.

Risk Adjustment

Due to the lack of diagnosis data for this population, expansion rate cells will not be subject to risk adjustment during the rating period. LDH intends to risk adjust the expansion rates in the future when sufficient and reliable diagnosis data is available to support the risk-adjustment process.

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Federal Health Insurer Fee

Section 9010 of the ACA established a health insurance provider fee (HIPF), which applies to certain for-profit/tax-paying health insurers. For-profit Medicaid health plans are not exempt from the HIPF, which will become a cost of doing business that is appropriate to recognize in actuarially sound capitation rates.

At the time of this certification, many aspects of the calculation and application of this fee are not yet determined and/or finalized. These fees are calculated on an annual basis. The Consolidated Appropriations Act of 2016, Title II, Section 201 suspended the fee for calendar year 2016. Barring any new legislation to the contrary, the fee is scheduled to resume in 2017. It will be calculated and become payable during the third quarter of 2018. Of the rates certified within this document, the expectation is that only capitation payments made on or after January 1, 2017 will be subject to the HIPF. As these fees are not yet defined by insurer and by marketplace, no adjustment has been made in the rate range development for the Healthy Louisiana program. An adjustment and revised certification will be considered when the fee amount and impacted entities applicable to this rate period are announced in 2018.

Risk Mitigation

LDH will put in place a risk mitigation arrangement (medical loss ratio [MLR]) with the MCOs that provides motivation for the MCOs to appropriately manage expenses, yet provides financial protection against unmanageable losses. The risk mitigation arrangement provides impetus for the MCOs to operate efficiently and generate net income, but also provides for the return of any excessive profit to the State/federal government

The State will include the MLR requirement in the contract. The MLR requirement will be 85% at a minimum and 95% at a maximum. Any deviation of actual medical expenditures outside of this 85%-95% range will result in reconciliation with the affected health plan and will be applied on a contract basis. MLRs will be subject to review and audit by the State. The MLR calculation will be performed on the 18-month period from July 1, 2016 through December 31, 2017. MLR calculations and reconciliations will be performed after 12-months of run out to ensure the data used is complete.

In Mercer's professional opinion, the risk mitigation arrangement proposed by LDH is actuarially sound.

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Certification of Final Rate Ranges

In preparing the rate ranges shown in Attachment A, Mercer has used and relied upon enrollment, FFS claims, encounter data, reimbursement level, benefit design, and other information supplied by LDH and its fiscal agent. LDH, its fiscal agent, and the Prepaid plans are responsible for the validity and completeness of the data supplied. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit them. In our opinion they are appropriate for the intended purposes. If the data and information are incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

Mercer certifies that the rates in Attachment A were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the managed care contract. Rate estimates provided are based upon the information available at a point in time and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate. The undersigned actuaries are members of the American Academy of Actuaries and meet its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Rates and ranges developed by Mercer are actuarial projections of future contingent events. Actual Healthy Louisiana MCO costs will differ from these projections. Mercer has developed these rates on behalf of LDH to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c), and in accordance with applicable law and regulations. Use of these rate ranges for any purpose beyond that stated may not be appropriate.

Healthy Louisiana MCOs are advised that the use of these rate ranges may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rate ranges by Healthy Louisiana MCOs for any purpose. Mercer recommends that any Healthy Louisiana MCO considering contracting with LDH should analyze its own projected medical expense, administrative expense, and any other premium needs for comparison to these rate ranges before deciding whether to contract with LDH.

This certification letter assumes the reader is familiar with the Healthy Louisiana Program, Medicaid eligibility rules, and actuarial rate-setting techniques. It is intended for LDH and CMS, and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial rate projections to understand the technical nature of these results.

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If you have any questions on any of the information provided, please feel free to call Jared Simons or Erik Axelsen at +1 404 442 3358 or +1 404 442 3517.

Sincerely,



Jaredd Simons, ASA, MAAA
Principal



Erik Axelsen, ASA, MAAA
Senior Associate

Appendix A: Healthy Louisiana Expansion Capitation Rate Range

Region Description	Category of Aid Description	Rate Cell Description	Lower Bound PMPM or Cost per Delivery	Upper Bound PMPM or Cost per Delivery
Gulf	Medicaid Expansion	Female Age 19 - Age 24	\$336.74	\$386.00
Gulf	Medicaid Expansion	Male Age 19 - Age 24	\$297.12	\$337.31
Gulf	Medicaid Expansion	Female Age 25 - Age 39	\$440.21	\$513.15
Gulf	Medicaid Expansion	Male Age 25 - Age 39	\$404.43	\$469.19
Gulf	Medicaid Expansion	Female Age 40 - Age 49	\$617.26	\$730.72
Gulf	Medicaid Expansion	Male Age 40 - Age 49	\$607.36	\$718.56
Gulf	Medicaid Expansion	Female Age 50 - Age 64	\$714.40	\$850.10
Gulf	Medicaid Expansion	Male Age 50 - Age 64	\$800.08	\$955.39
Gulf	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$29.05	\$30.17
Gulf	Medicaid Expansion	Maternity Kick Payment	\$10,535.94	\$10,674.16
Gulf	Medicaid Expansion	EED Kick Payment	\$6,360.51	\$6,407.97
Capital	Medicaid Expansion	Female Age 19 - Age 24	\$389.88	\$450.50
Capital	Medicaid Expansion	Male Age 19 - Age 24	\$341.88	\$391.34
Capital	Medicaid Expansion	Female Age 25 - Age 39	\$515.26	\$605.02
Capital	Medicaid Expansion	Male Age 25 - Age 39	\$471.91	\$551.59
Capital	Medicaid Expansion	Female Age 40 - Age 49	\$729.79	\$869.41
Capital	Medicaid Expansion	Male Age 40 - Age 49	\$717.79	\$854.63
Capital	Medicaid Expansion	Female Age 50 - Age 64	\$847.50	\$1,014.48
Capital	Medicaid Expansion	Male Age 50 - Age 64	\$951.31	\$1,142.43
Capital	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$22.57	\$23.43
Capital	Medicaid Expansion	Maternity Kick Payment	\$10,046.81	\$10,168.49
Capital	Medicaid Expansion	EED Kick Payment	\$6,872.26	\$6,924.95
South Central	Medicaid Expansion	Female Age 19 - Age 24	\$363.59	\$419.59
South Central	Medicaid Expansion	Male Age 19 - Age 24	\$319.40	\$365.09
South Central	Medicaid Expansion	Female Age 25 - Age 39	\$479.00	\$561.92
South Central	Medicaid Expansion	Male Age 25 - Age 39	\$439.09	\$512.71
South Central	Medicaid Expansion	Female Age 40 - Age 49	\$676.47	\$805.46
South Central	Medicaid Expansion	Male Age 40 - Age 49	\$665.42	\$791.84
South Central	Medicaid Expansion	Female Age 50 - Age 64	\$784.81	\$939.08
South Central	Medicaid Expansion	Male Age 50 - Age 64	\$880.38	\$1,056.94
South Central	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$19.80	\$20.54
South Central	Medicaid Expansion	Maternity Kick Payment	\$8,687.40	\$8,813.53
South Central	Medicaid Expansion	EED Kick Payment	\$5,276.32	\$5,328.31
North	Medicaid Expansion	Female Age 19 - Age 24	\$337.24	\$389.35
North	Medicaid Expansion	Male Age 19 - Age 24	\$296.07	\$338.58
North	Medicaid Expansion	Female Age 25 - Age 39	\$444.77	\$521.93
North	Medicaid Expansion	Male Age 25 - Age 39	\$407.58	\$476.08
North	Medicaid Expansion	Female Age 40 - Age 49	\$628.75	\$748.78
North	Medicaid Expansion	Male Age 40 - Age 49	\$618.46	\$736.09
North	Medicaid Expansion	Female Age 50 - Age 64	\$729.70	\$873.24
North	Medicaid Expansion	Male Age 50 - Age 64	\$818.74	\$983.03
North	Medicaid Expansion	SBH - Dual Eligible, All Ages	\$21.24	\$22.05
North	Medicaid Expansion	Maternity Kick Payment	\$9,307.91	\$9,430.41
North	Medicaid Expansion	EED Kick Payment	\$5,809.03	\$5,855.53

Appendix B: Projected Claims PMPM Development

Table 1: PH Expansion Rate Component Development

Region Name	COA Desc	Rate Cell Desc	Remove Prospective Components								
			A	B	C	D	E	F	G	H	I
			Projected PMPM - Low	Projected PMPM - High	Remove Clinical & Rx Efficiencies	Remove Low Trend	Remove High Trend	Remove Retro Adj	Adjusted Low PMPM	Adjusted High PMPM	Adjusted Midpoint PMPM
Gulf	Family and Children	Adult, 21+ Years	\$ 213.16	\$ 224.92	\$ 1.68	3.60%	5.77%	0.00%	\$ 199.57	\$ 201.61	\$ 200.59
Capital	Family and Children	Adult, 21+ Years	\$ 254.90	\$ 268.91	\$ 1.69	3.63%	5.80%	0.00%	\$ 238.21	\$ 240.60	\$ 239.41
South Central	Family and Children	Adult, 21+ Years	\$ 233.76	\$ 246.71	\$ 1.67	3.64%	5.85%	0.00%	\$ 218.54	\$ 220.65	\$ 219.60
North	Family and Children	Adult, 21+ Years	\$ 218.07	\$ 230.08	\$ 1.67	3.40%	5.61%	0.00%	\$ 204.94	\$ 206.85	\$ 205.90

Notes:

Columns A & B correspond to Physical Health only TANF rate components and can be found on page 61 - 62 within the attached February 2016 Rate Certification Letter (Appendix E)

Prospective components removed in columns C through F also correspond to Physical Health only rating adjustments

$$G = [(A + C) / (1 + D)^{25/12}] / (1 + F)$$

$$H = [(B + C) / (1 + E)^{25/12}] / (1 + F)$$

$$I = (G + H) / 2$$

Table 2: SBH Expansion Rate Component Development

Table 2: SBH Expansion Rate Component Development					Remove Prospective Components						
			J	K	L		M	N	O	P	Q
Region Name	COA Desc	Rate Cell Desc	Projected PMPM - Low	Projected PMPM - High	Remove Low Trend	Remove High Trend	Remove Retro Adj	Adjusted PMPM - Low	Adjusted PMPM - High	Adjusted PMPM - Midpoint	
Gulf	Family and Children	Adult, 21+ Years	\$ 19.55	\$ 20.35	4.00%	6.00%	0.00%	\$ 18.02	\$ 18.02	\$ 18.02	
Capital	Family and Children	Adult, 21+ Years	\$ 21.37	\$ 22.23	4.00%	6.00%	0.00%	\$ 19.69	\$ 19.69	\$ 19.69	
South Central	Family and Children	Adult, 21+ Years	\$ 21.16	\$ 22.01	4.00%	6.00%	0.00%	\$ 19.50	\$ 19.50	\$ 19.50	
North	Family and Children	Adult, 21+ Years	\$ 20.32	\$ 21.14	4.00%	6.00%	0.00%	\$ 18.72	\$ 18.72	\$ 18.72	

Notes:

Columns J & K correspond to SBH only TANF rate components and can be found on page 67 - 68 within the attached February 2016 Rate Certification Letter (Appendix E)

Prospective components removed in columns L through N also correspond to SBH only rating adjustments

$$O = (J / ((1 + L)^{25/12})) / (1 + N)$$

$$P = (K / ((1 + M)^{25/12})) / (1 + N)$$

$$Q = (O + P) / 2$$

Appendix C: Combined Expansion Rate Development

Table 1a: Projected Claims PMPM Development for Expansion

Region Name	COA Desc	Rate Cell Desc	A CY2014 MMs	Projected Claims PMPM			E Credibility	F Projected Claims PMPM
				B PH PMPM	C SBH PMPM	D PH & SBH Combined		
				B Midpoint PMPM	C Midpoint PMPM	D Midpoint PMPM		
Gulf	Family and Children	Adult, 21+ Years	388,455	\$ 200.59	\$ 18.02	\$ 218.61	100%	\$ 218.61
Capital	Family and Children	Adult, 21+ Years	288,647	\$ 239.41	\$ 19.69	\$ 259.10	100%	\$ 259.10
South Central	Family and Children	Adult, 21+ Years	299,789	\$ 219.60	\$ 19.50	\$ 239.09	100%	\$ 239.09
North	Family and Children	Adult, 21+ Years	239,631	\$ 205.90	\$ 18.72	\$ 224.62	100%	\$ 224.62

Notes:

PH & SBH PMPM correspond to columns Q & I on Appendix A

D = B + C

F = D * E

Table 1b: Expansion Rate Development

Expansion Adjustments													
G Region	F Projected Expansion Enrollment	F Projected Claims PMPM -- Midpoint	H Acuity Adj -- Low	I Acuity Adj -- High	J Expansion Trend Low	K Expansion Trend High	L Reverse MC Impact to Low	M Reverse MC Impact to High	N Pent Up Demand Adjustment	O Adverse Selection Adj -- Low	P Adverse Selection Adj -- High	Q Claims Expense PMPM - Low	R Claims Expense PMPM - High
Gulf	857,666	\$ 218.61	12.5%	30.6%	4.86%	7.12%	5.05%	5.10%	9.27%	2.66%	3.44%	\$ 323.14	\$ 397.09
Capital	461,375	\$ 259.10	12.5%	30.6%	4.94%	7.21%	5.41%	5.46%	10.10%	3.64%	4.71%	\$ 391.54	\$ 482.54
South Central	488,040	\$ 239.09	12.5%	30.6%	4.85%	7.16%	5.34%	5.39%	10.10%	3.64%	4.71%	\$ 360.41	\$ 444.48
North	414,271	\$ 224.62	12.5%	30.6%	4.56%	6.85%	5.14%	5.18%	10.10%	3.64%	4.71%	\$ 335.80	\$ 414.03

Notes:

Q = F * (1 + H) * (1 + J) ^ (27.5/12) * (1 + L) * (1 + N) * (1 + O)

R = F * (1 + I) * (1 + K) ^ (27.5/12) * (1 + M) * (1 + N) * (1 + P)

Appendix D: Expansion Age-Sex Rate Cell Rate Development

Table 1a: Creation of Rate cells using Age-Sex Acuity and development of Loaded Rates

K												L
											Loaded Rates	
Region	Claims Expense PMPM	Claims Expense PMPM	Age - Sex Factor	Rate Cell Desc	Low PMPM	High PMPM	Admin PMPM Load Low PMPM	Admin PMPM Load High PMPM	UW Gain @ 2%	Premium Tax @ 5.5%	Low	High
Gulf	\$ 323.14	\$ 397.09	0.616	Female Age 19 - Age 24	\$ 199.09	\$ 244.65	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 247.00	\$ 296.26
Gulf	\$ 323.14	\$ 397.09	0.503	Male Age 19 - Age 24	\$ 162.44	\$ 199.62	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 207.38	\$ 247.57
Gulf	\$ 323.14	\$ 397.09	0.912	Female Age 25 - Age 39	\$ 294.80	\$ 362.27	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 350.47	\$ 423.41
Gulf	\$ 323.14	\$ 397.09	0.810	Male Age 25 - Age 39	\$ 261.71	\$ 321.60	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 314.69	\$ 379.45
Gulf	\$ 323.14	\$ 397.09	1.419	Female Age 40 - Age 49	\$ 458.57	\$ 563.53	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 527.52	\$ 640.98
Gulf	\$ 323.14	\$ 397.09	1.391	Male Age 40 - Age 49	\$ 449.41	\$ 552.27	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 517.62	\$ 628.82
Gulf	\$ 323.14	\$ 397.09	1.697	Female Age 50 - Age 64	\$ 548.43	\$ 673.95	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 624.66	\$ 760.36
Gulf	\$ 323.14	\$ 397.09	1.942	Male Age 50 - Age 64	\$ 627.68	\$ 771.34	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 710.34	\$ 865.65
Capital	\$ 391.54	\$ 482.54	0.616	Female Age 19 - Age 24	\$ 241.23	\$ 297.30	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 292.56	\$ 353.18
Capital	\$ 391.54	\$ 482.54	0.503	Male Age 19 - Age 24	\$ 196.83	\$ 242.58	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 244.55	\$ 294.01
Capital	\$ 391.54	\$ 482.54	0.912	Female Age 25 - Age 39	\$ 357.21	\$ 440.23	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 417.94	\$ 507.70
Capital	\$ 391.54	\$ 482.54	0.810	Male Age 25 - Age 39	\$ 317.11	\$ 390.81	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 374.59	\$ 454.27
Capital	\$ 391.54	\$ 482.54	1.419	Female Age 40 - Age 49	\$ 555.65	\$ 684.80	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 632.47	\$ 772.09
Capital	\$ 391.54	\$ 482.54	1.391	Male Age 40 - Age 49	\$ 544.55	\$ 671.12	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 620.47	\$ 757.30
Capital	\$ 391.54	\$ 482.54	1.697	Female Age 50 - Age 64	\$ 664.52	\$ 818.98	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 750.17	\$ 917.15
Capital	\$ 391.54	\$ 482.54	1.942	Male Age 50 - Age 64	\$ 760.56	\$ 937.33	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 853.99	\$ 1,045.10
South Central	\$ 360.41	\$ 444.48	0.616	Female Age 19 - Age 24	\$ 222.05	\$ 273.85	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 271.82	\$ 327.83
South Central	\$ 360.41	\$ 444.48	0.503	Male Age 19 - Age 24	\$ 181.18	\$ 223.44	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 227.64	\$ 273.33
South Central	\$ 360.41	\$ 444.48	0.912	Female Age 25 - Age 39	\$ 328.81	\$ 405.51	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 387.23	\$ 470.16
South Central	\$ 360.41	\$ 444.48	0.810	Male Age 25 - Age 39	\$ 291.89	\$ 359.99	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 347.33	\$ 420.94
South Central	\$ 360.41	\$ 444.48	1.419	Female Age 40 - Age 49	\$ 511.47	\$ 630.78	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 584.70	\$ 713.70
South Central	\$ 360.41	\$ 444.48	1.391	Male Age 40 - Age 49	\$ 501.25	\$ 618.19	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 573.66	\$ 700.08
South Central	\$ 360.41	\$ 444.48	1.697	Female Age 50 - Age 64	\$ 611.69	\$ 754.38	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 693.05	\$ 847.32
South Central	\$ 360.41	\$ 444.48	1.942	Male Age 50 - Age 64	\$ 700.08	\$ 863.40	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 788.61	\$ 965.18
North	\$ 335.80	\$ 414.03	0.616	Female Age 19 - Age 24	\$ 206.89	\$ 255.09	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 255.43	\$ 307.54
North	\$ 335.80	\$ 414.03	0.503	Male Age 19 - Age 24	\$ 168.81	\$ 208.13	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 214.26	\$ 256.78
North	\$ 335.80	\$ 414.03	0.912	Female Age 25 - Age 39	\$ 306.35	\$ 377.73	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 362.96	\$ 440.12
North	\$ 335.80	\$ 414.03	0.810	Male Age 25 - Age 39	\$ 271.96	\$ 335.32	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 325.78	\$ 394.28
North	\$ 335.80	\$ 414.03	1.419	Female Age 40 - Age 49	\$ 476.54	\$ 587.56	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 546.94	\$ 666.97
North	\$ 335.80	\$ 414.03	1.391	Male Age 40 - Age 49	\$ 467.02	\$ 575.83	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 536.65	\$ 654.28
North	\$ 335.80	\$ 414.03	1.697	Female Age 50 - Age 64	\$ 569.91	\$ 702.70	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 647.89	\$ 791.44
North	\$ 335.80	\$ 414.03	1.942	Male Age 50 - Age 64	\$ 652.27	\$ 804.24	\$ 29.38	\$ 29.38	2.00%	5.50%	\$ 736.93	\$ 901.22

Notes:

D = A * C

E = B * C

K = (D + F) / (1 - H - I)

L = (E + J) / (1 - H - I)

Appendix D: Expansion Age-Sex Rate Cell Rate Development

Table 1b: Loaded Rates, inclusive of FMP

Region Name	Rate Cell Desc	Loaded Rates		Full Medicaid Pricing ¹				Expansion Rates w/ FMP	
		Q	R	S	T	U	V	W	X
		Low	High	Hospital (IP/OP) FMP PMPM	Ambulance FMP PMPM	Physician FMP PMPM	Total FMP PMPM	Low	High
Gulf	Female Age 19 - Age 24	\$ 247.00	\$ 296.26	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 336.74	\$ 386.00
Gulf	Male Age 19 - Age 24	\$ 207.38	\$ 247.57	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 297.12	\$ 337.31
Gulf	Female Age 25 - Age 39	\$ 350.47	\$ 423.41	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 440.21	\$ 513.15
Gulf	Male Age 25 - Age 39	\$ 314.69	\$ 379.45	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 404.43	\$ 469.19
Gulf	Female Age 40 - Age 49	\$ 527.52	\$ 640.98	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 617.26	\$ 730.72
Gulf	Male Age 40 - Age 49	\$ 517.62	\$ 628.82	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 607.36	\$ 718.56
Gulf	Female Age 50 - Age 64	\$ 624.66	\$ 760.36	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 714.40	\$ 850.10
Gulf	Male Age 50 - Age 64	\$ 710.34	\$ 865.65	\$ 71.34	\$ 5.64	\$ 12.76	\$ 89.74	\$ 800.08	\$ 955.39
Capital	Female Age 19 - Age 24	\$ 292.56	\$ 353.18	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 389.88	\$ 450.50
Capital	Male Age 19 - Age 24	\$ 244.55	\$ 294.01	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 341.88	\$ 391.34
Capital	Female Age 25 - Age 39	\$ 417.94	\$ 507.70	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 515.26	\$ 605.02
Capital	Male Age 25 - Age 39	\$ 374.59	\$ 454.27	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 471.91	\$ 551.59
Capital	Female Age 40 - Age 49	\$ 632.47	\$ 772.09	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 729.79	\$ 869.41
Capital	Male Age 40 - Age 49	\$ 620.47	\$ 757.30	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 717.79	\$ 854.63
Capital	Female Age 50 - Age 64	\$ 750.17	\$ 917.15	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 847.50	\$ 1,014.48
Capital	Male Age 50 - Age 64	\$ 853.99	\$ 1,045.10	\$ 68.64	\$ 4.81	\$ 23.87	\$ 97.33	\$ 951.31	\$ 1,142.43
South Central	Female Age 19 - Age 24	\$ 271.82	\$ 327.83	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 363.59	\$ 419.59
South Central	Male Age 19 - Age 24	\$ 227.64	\$ 273.33	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 319.40	\$ 365.09
South Central	Female Age 25 - Age 39	\$ 387.23	\$ 470.16	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 479.00	\$ 561.92
South Central	Male Age 25 - Age 39	\$ 347.33	\$ 420.94	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 439.09	\$ 512.71
South Central	Female Age 40 - Age 49	\$ 584.70	\$ 713.70	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 676.47	\$ 805.46
South Central	Male Age 40 - Age 49	\$ 573.66	\$ 700.08	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 665.42	\$ 791.84
South Central	Female Age 50 - Age 64	\$ 693.05	\$ 847.32	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 784.81	\$ 939.08
South Central	Male Age 50 - Age 64	\$ 788.61	\$ 965.18	\$ 66.13	\$ 2.76	\$ 22.87	\$ 91.76	\$ 880.38	\$ 1,056.94
North	Female Age 19 - Age 24	\$ 255.43	\$ 307.54	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 337.24	\$ 389.35
North	Male Age 19 - Age 24	\$ 214.26	\$ 256.78	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 296.07	\$ 338.58
North	Female Age 25 - Age 39	\$ 362.96	\$ 440.12	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 444.77	\$ 521.93
North	Male Age 25 - Age 39	\$ 325.78	\$ 394.28	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 407.58	\$ 476.08
North	Female Age 40 - Age 49	\$ 546.94	\$ 666.97	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 628.75	\$ 748.78
North	Male Age 40 - Age 49	\$ 536.65	\$ 654.28	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 618.46	\$ 736.09
North	Female Age 50 - Age 64	\$ 647.89	\$ 791.44	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 729.70	\$ 873.24
North	Male Age 50 - Age 64	\$ 736.93	\$ 901.22	\$ 69.40	\$ 5.25	\$ 7.16	\$ 81.81	\$ 818.74	\$ 983.03

Notes:

1- FMP amounts include premium tax of 5.5%

V = S + T + U

W = Q + V

X = R + V

Ms. Amanda H. Joyner
Acting Medicaid Deputy Director
Louisiana Department of Health and Hospitals
Bureau of Health Services Financing
628 North 4th Street
Baton Rouge, LA 70821

February 26, 2016

Subject: Louisiana Bayou Health Program – Full Risk-Bearing Managed Care Organization
Rate Development and Actuarial Certification for the Period February 1, 2016 through
January 31, 2017

Dear Ms. Joyner:

The Louisiana Department of Health and Hospitals (DHH) has contracted with Mercer Government Human Services Consulting (Mercer) to develop actuarially sound capitation rate ranges for the State of Louisiana's Bayou Health program for the period of February 1, 2016 through January 31, 2017.

The Bayou Health program began February 1, 2012, and operated under two separate managed care paradigms for the first three years of the program. The Bayou Health Prepaid program operated under an at-risk capitated arrangement, and the Shared Savings program was an enhanced Primary Care Case Management (ePCCM) program. Effective February 1, 2015, Bayou Health began operating as an at-risk capitated program only. Beginning December 1, 2015, the Bayou Health Program began covering specialized behavioral health (SBH) services. At the same time, DHH carved in new populations who will receive SBH and non-emergency transportation (NEMT) services from the Bayou Health MCOs. This bifurcated the Bayou Health program into two capitated sub-programs – the Physical Health (PH) program and the SBH program. The Bayou Health PH program covers all services and populations previously included in Bayou Health plus most SBH services that were previously covered by the Louisiana Behavioral Health Partnership (LBHP). The Bayou Health SBH program covers most SBH services and NEMT services for the populations previously excluded from the Bayou Health program. Bayou Health SBH program enrollees continue to receive physical health services from fee-for-service (FFS). For a list of included services by program, please see Appendix C.

For populations with a voluntary enrollment status, enrollees may select either the PH program or SBH program. Mercer developed a rate specific to each program for these populations.

From December 1, 2015 to January 31, 2016, it was necessary to create separate capitation payments for SBH and NEMT services in addition to the existing Bayou Health capitation rates that covered physical health services. This resulted in every Bayou Health enrollee being covered by a combination of two capitation payments, either SBH and NEMT or SBH and physical health. The rates developed effective February 1, 2016 unify all eligible services into one capitation payment per enrollee.

This letter presents an overview of the methodology used in Mercer's managed care rate development for the purpose of satisfying the requirements of the Centers for Medicare & Medicaid Services (CMS). This rate development process used Medicaid FFS medical and pharmacy claims, Bayou Health Shared Savings claims experience, Bayou Health Prepaid encounter data, and LBHP claims experience. It resulted in the development of a range of actuarially sound rates for each rate cell. The capitation rate ranges are summarized in Appendix A and represent payment in full for the covered services.

Medicaid benefit plan premium rates are "actuarially sound" if, for business in the state for which the certification is being prepared and for the period covered by the certification, projected premiums, including expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income, provide for all reasonable, appropriate and attainable costs, including health benefits, health benefit settlement expenses, marketing and administrative expenses, any government mandated assessments, fees, and taxes, and the cost of capital. Note: Please see page 2 of Actuarial Standard of Practice Number 49, *Medicaid Managed Care Capitation Rate Development and Certification*, issued March 2015 by the Actuarial Standards Board, http://www.actuarialstandardsboard.org/wp-content/uploads/2015/03/asop049_179.pdf.

The remainder of this letter is structured as follows:

- Section 1: Base Data Development
- Section 2: Capitation Rate Development
 - Subsection 2A: PH Services
 - Subsection 2B: SBH Services
 - Subsection 2C: All Services Combined
- Section 3: Certification of Final Rate Ranges

Section 1: Base Data Development

Overview

Capitation rate ranges for the Bayou Health program were developed in accordance with rate-setting guidelines established by CMS. For rate range development for the Bayou Health managed care organizations (MCOs), Mercer used calendar year 2013 (CY 2013) and CY 2014 Medicaid FFS medical and pharmacy claims, Bayou Health Shared Savings claims experience, Bayou Health Prepaid encounter data, and LBHP claims experience. All data was reported on an incurred basis and included payment dates through June 30, 2015. Restrictions were applied to the enrollment and claims data so that it was appropriate for the populations and benefit package defined in the contract.

Mercer reviewed the data provided by DHH, the Bayou Health plans, and the LBHP for consistency and reasonableness and determined the data are appropriate for the purpose of setting capitation rates for the MCO program. The data reliance attestation shown in Appendix L has been provided by DHH, and its purpose is to certify the accuracy, completeness, and consistency of the base data.

Adjustments were made to the selected base data to match the covered populations and Bayou Health benefit packages for rating year 2016 (RY16). Additional adjustments were then applied to the base data to incorporate:

- Prospective and historic (retrospective) program changes not reflected (or not fully reflected) in the base data.
- Provision for incurred-but-not-reported (IBNR) claims.
- Financial adjustments to encounter data for under-reporting.
- Trend factors to forecast the expenditures and utilization to the contract period.
- Changes in benefits covered by managed care.
- Addition of new populations to the Bayou Health program.
- Opportunities for managed care efficiencies.
- Administration and underwriting profit/risk/contingency loading.

In addition to these adjustments, DHH takes two additional steps in the matching of payment to risk:

- Application of maternity supplemental (kick) payments.
- Application of risk-adjusted regional rates.

The resulting rate ranges for each individual rate cell were net of Graduate Medical Education (GME) payments to teaching hospitals provided in the Louisiana Medicaid State Plan.

Appendix H-K shows the full rate development from the base data as shown in the data book released by DHH, dated January 8, 2016, and applies all the rate setting adjustments as described in this letter.

Bayou Health Populations

PH Program

Covered Populations

In general, the Bayou Health PH program includes individuals classified as Supplemental Security Income (SSI), Family & Children, Foster Care Children (FCC), Breast and Cervical Cancer (BCC), and Louisiana Children's Health Insurance Program (LaCHIP) Affordable Plan (LAP) as mandatory populations. Voluntary opt-in populations include Home- and Community-Based Services (HCBS) waiver participants and Chisholm Class Members (CCM).

Mandatory Populations

The following individuals are automatically enrolled into the Bayou Health PH program:

- Children under 19 years of age, including those who are eligible under Section 1931 poverty-level related groups and optional groups of older children in the following categories:
 - Temporary Assistance for Needy Families (TANF)
 - Child Health and Maternity Program (CHAMP) Child
 - Deemed Eligible Child program
 - Youth Aging Out of Foster Care (Chafee Option)
 - Former FCC
 - Regular Medically Needy Program (MNP)
 - LaCHIP program
 - Medicaid Purchase Plan program
 - Provisional Medicaid program
- Parents and Caretaker Relative eligible under Section 1931 of the Social Security Act (SSA) including:
 - Parents and Caretakers Relatives program
 - TANF Family Independence Temporary Assistance program
 - Regular MNP
- Pregnant Women — Individuals whose basis of eligibility is pregnancy; who are eligible only for pregnancy-related services [42 CFR §440.210(2)] including:
 - LaMOMS (CHAMP-Pregnant Women)
 - LaCHIP Phase IV program
- BCC Program — Uninsured women under the age of 65 who are not otherwise eligible for Medicaid, and are identified through the Centers for Disease Control (CDC) National Breast and Cervical Cancer Early Detection program as being in need of treatment for breast and/or cervical cancer, including pre-cancerous conditions and early stage cancer

- Coordinated System of Care (CSoC) individuals
- Aged, Blind and Disabled (ABD) Adults — Individuals, 19+ years, who do not meet any of the conditions for exclusion from participation in an MCO, including:
 - SSI program
 - Extended Medicaid programs consisting of the following:
 - Disabled Adult Children
 - Early Widows/Widowers
 - PICKLE (Group One and Group Two)
 - Disabled Widows/Widowers (DW/W) and Disabled Surviving Divorced Spouses Unable to Perform Any Substantial Gainful Activity
 - Blood Product Litigation program
 - Medicaid Purchase Plan program
 - Provisional Medicaid program
 - Continued Medicaid program

Effective December 1, 2015, the following individuals were automatically enrolled into the Bayou Health PH program. Previously, under the Legacy Bayou Health program, they were able to voluntarily disenroll:

- Children under 19 years of age who meet one of the following:
 - Eligible for SSI under Title XVI of the SSA
 - Eligible under Section 1902(e)(3) of the SSA
 - In foster care or other out-of-home placement
 - Receiving foster care or adoption assistance
 - Receiving services through a family-centered community-based, coordinated care system that receives grant funds under Section 501(a)(1)(D) of Title V of the SSA, and is defined by DHH in terms of either program participation or special health care needs
 - Enrolled in the Family Opportunity Act Medicaid Buy-In program
- Native Americans who are members of federally recognized tribes except when the MCO is:
 - The Indian Health Service
 - An Indian health program or urban Indian program operated by a tribe or tribal organization under a contract, grant, cooperative agreement, or compact with the Indian Health Service

Voluntary Opt-In Populations

The following individuals are not automatically enrolled into the Bayou Health PH program, but may voluntarily enroll:

- Individuals receiving services through any 1915(c) HCBS waiver:
 - Adult Day Health Care (ADHC)

- New Opportunities waiver (NOW)
- Children's Choice (CC)
- Residential Options waiver (ROW)
- Supports waiver
- Community Choices waiver (CCW)
- Other HCBS waivers as may be approved by CMS
- Individuals under the age of 21 otherwise eligible for Medicaid who are listed on the Office for Citizens with Developmental Disabilities' (OCDD's) Request for Services Registry who are CCM

Excluded Populations

The following individuals are excluded from participation in the Bayou Health PH program:

- Medicare-Medicaid Dual Eligible Beneficiaries
- Qualified Medicare Beneficiaries (QMB) (only where State only pays Medicare premiums)
- Specified Low-income Medicare Beneficiaries (SLMB) (where State only pays Medicare premiums)
- MNP Spend-Down Individuals
- Individuals residing in Long-Term Care (LTC) Facilities (Nursing Home, Intermediate Care Facility/Developmentally Disabled (ICF/DD))
- Eligible under the Program of All-Inclusive Care for the Elderly (PACE), a community-based alternative to placement in a Nursing Facility that includes a complete "managed care" type benefit combining Medical, Social, and LTC services
- Eligible under the Family Planning Eligibility Option (FPEO) that provides Family Planning services
- Eligible under the Greater New Orleans Community Health Connection (GNOCHC)

Appendix B encompasses a comprehensive list of Bayou Health's covered and excluded populations.

Specialized Behavioral Health Program

Covered Populations

The Bayou Health SBH program includes individuals classified as SBH Dual and SBH Other as mandatory populations. The voluntary opt-in populations that did not choose to opt into Bayou Health for PH services are automatically included in the SBH program. These populations are denoted as SBH HCBS Waiver participants and SBH CCM.

Mandatory Populations

The following population groups are automatically enrolled into the Bayou Health SBH program:

- SSI/LTC
- SSI Transfer of Resource(s)/LTC
- Transfer of Resource(s)/LTC
- LTC Spend-Down MNP
- LTC MNP/Transfer of Resources
- LTC
- Excess Home Equity SSI Under Special Income Level (SIL)
- Excess Home Equity SSI Under SIL-Reg LTC
- LTC Payment Denial/Late Admission Packet
- SSI Payment Denial/Late Admission
- Qualified Disabled Working Individual (QDWI)
- SSI/Public ICF/DD under the age of 21
- SSI/Private ICF/DD under the age of 21
- Private ICF/DD under the age of 21
- Public ICF/DD under the age of 21
- CSoC individuals not otherwise eligible for Medicaid services

Voluntary Opt-In Populations

The following individuals are not automatically enrolled into the Bayou Health PH program. If they choose not to voluntarily enroll into the Bayou Health PH program, they will automatically have only their SBH and NEMT services covered by the Bayou Health SBH program:

- Individuals receiving services through any 1915(c) HCBS waiver:
 - ADHC
 - NOW
 - CC
 - ROW
 - Supports waiver
 - CCW
 - Other HCBS waivers as may be approved by CMS
- Individuals under the age of 21 otherwise eligible for Medicaid who are listed on OCDD's Request for Services Registry who are CCM

In addition, the following new populations were not part of the CY 2013 and CY 2014 data, but will be considered as part of the rate development process:

- Presumptive Eligible Adult and Child populations
- LaCHIP Phase V: Affordable Plan
- Tuberculosis
- Provisional Medicaid

Excluded Populations

The following individuals are excluded from participation in the Bayou Health program:

- Eligible under the Refugee Cash/Medical Assistance program
- Eligible under the Medicare Savings program (QMB, SLMB, and Qualified Individuals)
- Eligible under the Emergency Services Only program (aliens who do not meet Medicaid citizenship/5-year residency requirements)
- Eligible under the LTC Medicare Co-Insurance program
- Eligible under the Section 1115 GNOCHC waiver
- Eligible under the FPEO that provides Family Planning services
- Eligible under the PACE, a community-based alternative to placement in a Nursing Facility that includes a complete “managed care” type benefit combining Medical, Social, and LTC services
- Non-Medicaid adult on the eligibility file who is eligible for a Low-Income Subsidy program administered by the SSA
- Former 1915(i)-only adult eligibles
- SSI/Public ICF/DD age 21 and over
- SSI/Private ICF/DD age 21 and over
- Private ICF/DD age 21 and over
- Public ICF/DD age 21 and over
- Any Medicaid eligible person during a period of incarceration

Rate Category Groupings

Rates will vary by the major categories of eligibility. Furthermore, where appropriate, the rates within a particular category of eligibility are subdivided into different age bands to reflect differences in risk due to age. In addition, due to the high cost associated with pregnancies, DHH will pay a maternity kick payment to the MCOs for each delivery that takes place. Table 1A shows a list of the different rate cells for each eligibility category including the maternity kick payments. PH program rate cell structure is similar to the rate structure instituted effective February 1, 2015, but has 2 notable changes.

- Child rate cells include enrollees up to age 20 (previously defined up to age 18)
- FCC have been separated into a distinct rate cell (previously included in Family & Children)

Five new rate cells were created for the SBH Program. These groups are labeled beginning with SBH and are displayed in Table 1B.

Table 1A: PH Rate Category Groupings

SSI	
Newborn, 0–2 Months, Male & Female	Child, 1–20 Years, Male & Female
Newborn, 3–11 Months, Male & Female	Adult, 21+ Years, Male & Female
Family & Children (TANF)	
Newborn, 0–2 Months, Male & Female	Child, 1–20 Years, Male & Female
Newborn, 3–11 Months, Male & Female	Adult, 21+ Years, Male & Female
HCBS Waiver	
20 and Under, Male & Female	21+ Years, Male & Female
FCC	
All Ages, Male & Female	
BCC	
All Ages, Female	
CCM	
All Ages, Male & Female	
LAP	
All Ages, Male & Female	

Table 1B: SBH Rate Category Groupings

SBH — CCM	
All Ages, Male & Female	
SBH — Dual Eligibles	
All Ages, Male & Female	
SBH — HCBS Waiver	
20 and Under, Male & Female	21+ Years, Male & Female
SBH — Other	
All Ages, Male & Female	

Region Groupings

For rating purposes, Louisiana has been split into four different regions. Table 2 lists the associated parishes for each of the four regions. The region groupings are the same in both programs.

Table 2: Region Groupings

Region Description	Associated Parishes (Counties)
Gulf	Assumption, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John, St. Mary, and Terrebonne
Capital	Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, St. Tammany, Tangipahoa, Washington, West Baton Rouge, and West Feliciana
South Central	Acadia, Allen, Avoyelles, Beauregard, Calcasieu, Cameron, Catahoula, Concordia, Evangeline, Grant, Iberia, Jefferson Davis, Lafayette, Lasalle, Rapides, St. Landry, St. Martin, Vermilion, Vernon, and Winn
North	Bienville, Bossier, Caddo, Caldwell, Claiborne, DeSoto, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Natchitoches, Ouachita, Red River, Richland, Sabine, Tensas, Union, Webster, and West Carroll

Bayou Health Services

Covered Services

Appendix C lists the services the Bayou Health MCOs must provide to the members in the Bayou Health PH and Bayou Health SBH programs, respectively. The MCOs also have the ability to develop creative and innovative solutions to care for their members (i.e., provide other cost-effective alternative services), as long as the contractually-required Medicaid services are covered. Costs of alternative services are expected to be funded through savings on the contractually-required services for which these services are a cost-effective substitute.

New Services

The Legacy Prepaid and Shared Savings program did not have identical sets of covered services. Additionally, DHH incorporated services covered historically by FFS in the Bayou Health program effective February 1, 2015 and December 1, 2015.

The following services, included effective February 1, 2015, were previously excluded from both the Prepaid and Shared Savings programs:

- Hospice services
- Personal Care services for ages 0–20

The following services, included effective February 1, 2015, were previously excluded from the Legacy Shared Savings program:

- Inpatient Acute Detox services
- NEMT

- Behavioral Health prescribed drugs
- Durable medical equipment (DME) services

The following services, included effective December 1, 2015, were previously excluded from both the Legacy Bayou Health Prepaid and Shared Savings programs:

- SBH services

The SBH services required under the Bayou Health contract are detailed in the Behavioral Health Integration Amendment issued by DHH. Mercer analyzed service cost variance and grouped the SBH services into the following categories of service (COS):

- Inpatient
- Emergency Room
- Professional/Other

State Plan Service Considerations

The costs in the base data reflect costs for State Plan services delivered in a managed care environment. In some cases for the adult population, the LBHP pre-paid inpatient health plans (PIHP) provided an approved service in lieu of a State Plan service. In these cases, Mercer has reflected the costs of the State Plan service and applied a managed care discount to arrive at total costs consistent with actual paid expenses. A summary of these costs are shown in Table 3.

**Table 3: Summary of In Lieu of Services
2013 Encounter Claims**

State Plan	In Lieu Of	2013 Encounter Claims	Encounter Unit Cost	State Plan Unit Cost	Managed Care Discount
Inpatient	Inpatient Institute for Mental Disease (IMD) (21-64)	\$16,119,521	\$487.01	\$646.94	-25%
Substance Use Disorder (SUD) Residential	SUD Residential IMD	\$5,047,040	\$71.02	\$145.51	-51%
Emergency Room	Crisis	\$175,323	\$87.49	\$249.12	-65%
2014 Encounter Claims					
State Plan	In Lieu Of	2014 Encounter Claims	Encounter Unit Cost	State Plan Unit Cost	Managed Care Discount
Inpatient	Inpatient IMD (21-64)	\$17,439,937	\$470.64	\$646.94	-27%
SUD Residential	SUD Residential IMD	\$6,463,591	\$79.51	\$145.51	-45%
Emergency Room	Crisis	\$362,095	\$58.09	\$249.12	-77%

Medicare Crossover Claims

For dually eligible individuals, Medicare “Crossover” claims (claims that include primary payment from Medicare) for Inpatient, Outpatient, Emergency Room, and Professional services are excluded from the base data. These services will be paid directly by the State after coordinating with Medicare.

In order to exclude Crossover claims from the base data, Mercer identified claims submitted to DHH and coded with claim type “14” (Medicare Crossover Institutional) or claim type “15” (Medicare Crossover Professional). This includes claims with a Medicare qualifying Electronic Media Claim submitter ID and claim format 837-I (Institutional) or 837-P (Professional), as well as hard copy claims with an Explanation of Benefits from Medicare attached. Mercer then cross-referenced these claims to the encounter data and excluded matching records from the base data.

Behavioral Health Mixed Services Protocol (MSP)

DHH implemented a new mixed services protocol effective February 1, 2015. Prior to February 1, 2015, Basic Behavioral Health Covered services were defined as services provided

in the Primary Care setting and Inpatient Hospital services for acute medical detoxification based on medical necessity. Institutional services (Inpatient, Outpatient, and Emergency Room) are considered SBH services if the claim is identified with a qualifying Behavioral Health diagnosis.

Effective February 1, 2015, the new mixed services protocol delineates coverage responsibility based on provider type and specialty or facility type. Basic Behavioral Health continues to include services provided in a Primary Care setting, but also includes all Inpatient Hospital services provided in a General Hospital setting, regardless of diagnosis. SBH includes services from Behavioral Health Facilities (distinct Psychiatric Units of General Hospitals and Freestanding Psychiatric Hospitals) and services provided by Behavioral Health specialists.

Since both PH services and SBH services are covered under Bayou Health for certain categories of aid (COA), an adjustment for mixed service protocol was needed only for the SBH program COAs whose PH services are covered under FFS. Appendix D summarizes the mixed services protocol adjustment.

Excluded Services

Bayou Health MCOs are not responsible for providing PH services and other Medicaid services not identified in Appendix C, including the following services:

- Applied Behavioral Analysis services
- Dental services, with the exception of Early and Periodic Screening & Diagnosis Treatment (EPSDT) varnishes provided in a Primary Care setting
- ICF/DD services
- Personal Care services 21 and older
- Institutional LTC Facility/Nursing Home services
- School-based Individualized services
- Education Plan services provided by a school district and billed through the intermediate school district, or School-based services funded with certified public expenditures, including school nurses
- HCBS waiver services
- Targeted Case Management services
- Services provided through DHH's Early-Steps program
- CSoC services previously covered under 1915(c) or 1915(b)(3) waiver authority
- Medicare Crossover services
- Services covered under a non-CSoC 1915(c) waiver

For more specific information on covered services, please refer to the Bayou Health Behavioral Health Integration Amendment issued by DHH.

Base Data Adjustments

IBNR

Capitation rate ranges were developed using claims data for services incurred in CY 2013 and CY 2014 and reflects payments processed through June 30, 2015. PH claims for dates of service in CY 2013 were deemed complete as they reflect at least 18 months of runout. Although SBH claims had the same amount of runout, Mercer determined a small IBNR adjustment for CY 2013 was necessary after reviewing financial reports.

IBNR factors were developed for claims with date of service in CY 2014 to incorporate consideration for any outstanding claims liability. To establish the IBNR factors for the Shared Savings/Legacy Medicaid FFS data, claims were grouped into three COA and six main IBNR service categories. Encounter claim IBNR factors, developed separately for each Prepaid plan, were compared to IBNR estimates provided by the Prepaid plan actuaries, and summarized by IBNR COS. IBNR category mapping is provided in Appendix C. Table 4A summarizes the IBNR factors that were applied to CY 2014 PH services data.

Table 4A: IBNR Factors Applied to CY 2014 PH and NEMT Services Data

IBNR COS	Encounter Data	Shared Savings Claims & Legacy Medicaid/FFS Cost Data		
	All COAs	TANF/FCC/LAP	SSI/BCC/CCM	HCBS
Inpatient	1.0065	1.0061	1.0274	1.0062
Outpatient	0.9960	0.9994	1.0074	0.9943
Physician	1.0054	1.0053	1.0110	1.0092
Other	1.0214	1.0091	1.0021	1.0034
Prescribed Drugs	1.0002	0.9952	0.9968	0.9981
Maternity Kick Payment	1.0053	1.0128	1.0128	1.0128

Mercer reviewed the financial lag triangles provided by the LBHP PIHP and determined the IBNR factors for SBH services. Claims were grouped into two main service categories, "Inpatient" and "Emergency Room and Other". Table 4B summarizes the IBNR factors that were applied to CY 2013 and CY 2014 SBH services data.

Table 4B: IBNR Factors Applied to SBH Services Data

IBNR COS	LBHP Encounter & FFS Data	
	All COAs	
	CY 2013	CY 2014
Inpatient	1.0013	1.0213
Emergency Room and Other	1.0012	1.0257

Under-Reporting Adjustments

Under-reporting adjustments were developed by comparing encounter data from the Medicaid Management Information System (MMIS) to financial information provided by the Prepaid MCOs and the LBHP PIHP. This adjustment was computed and applied on an MCO/PIHP basis. The adjustment resulted in an overall aggregate increase of 2.0% and 3.4% respectively to CY 2013 and CY 2014 PH services encounter cost data, and 11.72% and 6.11% respectively to CY 2013 and CY 2014 SBH services encounter cost data for the adult population. Note this adjustment does not apply to the Shared Savings claims or Legacy Medicaid/FFS data. Also, regarding SBH services, the children's population was operated under a non-risk model, where the PIHP was only reimbursed for submitted and approved encounters. Based on this service model, it is reasonable that encounters fully reflect the incurred costs, while under the adult service model encounter reporting was not as complete, and the PIHP was paid a capitation rate regardless of submitted encounters.

Assertive Community Treatment (ACT) Services Payment Adjustment

Claims for ACT services were not correctly reported in the encounter data for dates of service from January 1, 2013 through September 30, 2013. While units were available, paid amounts were zero for the dates listed. Mercer estimated a total for the missing paid amounts during this period by calculating a unit cost for the CY 2014 data and applying this to the units accompanied by zero-paid amounts. In total, this adjustment incorporated approximately \$9.4 million of additional ACT services for 2013. Table 5 displays the total ACT services added by COA.

Table 5: Total ACT Services Added by COA

COA Description	CY 2013
SSI	\$6,832,676
Family & Children	\$331,899
FCC	\$0
BCC	\$63,530
HCBS Waiver	\$81,017
CCM	\$0
SBH — CCM	\$0
SBH — Dual Eligible	\$1,988,514
SBH — HCBS Waiver	\$81,017
SBH — Other	\$19,687
Total	\$9,398,339

Third-Party Liabilities

All claims are reported net of third-party liability, therefore no adjustment is required.

Fraud and Abuse Recoveries

DHH provided data related to fraud and abuse recoveries on the LBHP, Shared Savings, and Legacy FFS programs. The total adjustment applied to the FFS and Shared Savings PH services was -0.2% for CY 2013 and CY 2014. The total adjustment for SBH services was -0.1% and -0.2% of the SBH services for CY 2013 and CY 2014, respectively. Prepaid plans included fraud and abuse recoveries in their financial reports. These recoveries were included in the development of the under-reporting adjustment for PH services.

Co-Payments

Co-pays are only applicable to prescription drugs. Pharmacy claims are reported net of any co-payments so no additional adjustment is necessary.

Disproportionate Share Hospital (DSH) Payments

DSH payments are made outside of the MMIS system and have not been included in the capitation rates.

Data Smoothing

As part of the rate development process, Mercer blended the CY 2013 and CY 2014 base data with the goal of obtaining a set of base data that has sufficient credibility and reasonableness to develop actuarially sound capitation rates. Mercer applied weights of 40% and 60% to the CY 2013 and CY 2014 data, respectively, after accounting for historical rating adjustments described in Subsection 2A and Subsection 2B of this certification.

Additionally, certain rate cells did not contain enough member months (MMs) within each region to produce a statistically credible rate. For rate cells with less than 30,000 MMs per region, Mercer calculated a statewide capitation rate. Affected rate cells include:

- SSI newborns 0-1 years of age
- BCC, All Ages
- LAP, All Ages
- HCBS, All Ages
- CCM, All Ages
- SBH — CCM, All Ages
- SBH — HCBS, All Ages
- SBH — Other, All Ages

Section 2: Capitation Rate Development

Rating adjustments were developed and applied separately for PH and SBH services. Adjustments that were applied to each calendar year of base data are referred to as Historical Rating Adjustments and adjustments applied once the base data was blended are referred to as Prospective Rating Adjustments. The following subsections describe the analysis for each adjustment and provide the statewide impact to the respective PH or SBH services.

Subsection 2A: Physical Health Services

PH Historical Adjustments

Fee Schedule Changes

The capitation rates reflect changes in covered services' fee schedules and unit costs, between the base period and the contract period. The fee adjustment process also took into account the closing of two state hospitals, W.O. Moss Regional Medical Center and Earl K. Long, which occurred in 2013. DHH provided Mercer guidance on which hospitals were expected to absorb the closed hospitals' utilization: W.O. Moss Regional Medical Center's utilization would be absorbed by Lake Charles Memorial and Earl K. Long's utilization would be absorbed by Our Lady of the Lake.

Inpatient Services

Inpatient claims were adjusted to reflect changes in the fee schedule between the base period and the contract period, using the most recent fee schedule published by DHH (i.e., the July 1, 2015 fee schedule). The non-GME part of the per diems were used in this fee adjustment process to be consistent with DHH's intention to continue paying GME amounts directly to the teaching hospitals.

Certain "High Medicaid Community Hospitals" receive supplemental payments that are provided for in the State Plan. The total pool is \$1 million annually. The per diem rates of the corresponding hospitals were adjusted accordingly. The total impact of the inpatient fee change is summarized below.

Table 6A: Inpatient Fee Change Impact

Time Period	Historical Cost	Adjustment Dollar Impact	Impact as % of	
			Historical Cost	All PH Services Cost
CY 2013	\$608,712,298	\$10,934,243	1.80%	0.44%
CY 2014	\$563,991,217	-\$1,296,978	-0.23%	-0.05%

Outpatient Services

Outpatient claims were adjusted to reflect the most recent cost-to-charge ratios (CCRs). The CCRs were reported on hospital fiscal year bases, which varied by hospital from February 28, 2014 to December 31, 2014. The adjustment also included estimation of cost

settlements and reflected the most up-to-date cost settlement percentages for each facility. For most non-rural facilities, the cost settlement percentage is 66.46%; however, the remaining facilities are settled at different percentages. Rural facilities are cost settled at 110%. The total impact of the outpatient fee change is summarized below.

Table 6B: Outpatient Fee Change Impact

Time Period	Historical Cost	Adjustment Dollar Impact	Impact as % of	
			Historical Cost	All PH Services Cost
CY 2013	\$351,651,586	\$15,044,474	4.28%	0.60%
CY 2014	\$371,250,343	\$13,364,559	3.60%	0.53%

Affordable Care Act (ACA) Primary Care Physician (PCP) Fee Change

Under Section 1202 of the ACA, state Medicaid programs were required to increase payments to PCPs in 2013 and 2014. This requirement expired on December 31, 2014. As a result, 2013 and 2014 base data were adjusted to reflect the decrease in PCP payment rates between the base data period and the rating period.

Table 6C: ACA PCP Fee Change Impact

Time Period	Historical Cost	Adjustment Dollar Impact	Impact as % of	
			Historical Cost	All PH Services Cost
CY 2013	\$233,541,569	-\$73,199,444	-31.34%	-2.92%
CY 2014	\$250,895,188	-\$76,658,689	-30.55%	-3.05%

Other Physician Services

Mercer reviewed all non-ACA PCP services at a procedure code level and adjusted the CY 2013 claims to reflect observed changes in unit cost between CY 2013 and CY 2014.

Table 6D: Physician Fee Change Impact (Non-ACA PCP Services)

Time Period	Historical Cost	Adjustment Dollar Impact	Impact as % of	
			Historical Cost	All PH Services Cost
CY 2013	\$602,101,459	\$12,853,265	2.13%	0.51%
CY 2014	\$596,242,559	\$0	0.00%	0.00%

Prescribed Drugs Unit Cost Change

Mercer reviewed pharmacy claims at a National Drug Code (NDC) level and adjusted the CY 2013 claims to reflect observed changes in unit cost between CY 2013 and CY 2014.

Table 6E: Pharmacy Fee Change Impact

Time Period	Historical Cost	Adjustment Dollar Impact	Impact as % of	
			Historical Cost	All PH Services Cost
CY 2013	\$708,050,576	\$56,655,579	8.00%	2.26%
CY 2014	\$731,726,815	\$0	0.00%	0.00%

Overall, as shown in Table 7, the combined effect of all the historical fee adjustments was a 0.89% increase in CY 2013 base data and a 2.57% decrease in CY 2014.

Table 7: Summary of Fee Change Impact for All Claims

Time Period	Historical Cost	Adjustment Dollar Impact	Adjusted Cost	Percent Impact
CY 2013	\$2,504,057,487	\$22,288,117	\$2,526,345,604	0.89%
CY 2014	\$2,514,106,122	-\$64,591,109	\$2,449,515,013	-2.57%

Act 312 (Prescriber Prevails)

Effective January 1, 2014, Act 312 requires that, when medications are restricted for use by an MCO using a step therapy or fail first protocol, the prescribing physician shall be provided with, and have access to, a clear and convenient process to expeditiously request an override of such restrictions from the MCO. The MCO is required to grant the override under certain conditions. Mercer reviewed this requirement and estimated the impact of this change to be an increase of approximately 3% of pharmacy costs.

PH Prospective Rating Adjustments

Rx Rebates

FFS and Shared Savings pharmacy claims were reduced 2.08% for Rx rebates collected by the MCO. This factor was developed using Prepaid plans' experience as reported in financial statements provided to DHH. Prepaid Encounters were taken as net of drug rebates, so no adjustment was necessary.

ACT 399 (Provider Fee Reimbursement)

Effective December 1, 2015, Act 399 creates an appeal board to review pharmacy reimbursement disputes. It is the obligation of a health insurance issuer or its agent to reimburse a pharmacist or his agent for fees remitted by a pharmacy or pharmacist or his agent in compliance with R.S. 46:2625 or risk being sanctioned. Mercer reviewed this requirement and its underlying details and estimated the impact to the base period data to be approximately 0.16%.

Early Elective Delivery (EED)

Beginning February 2015, facility and delivering physician costs for EEDs will not be covered under the Bayou Health program. MCOs receive an EED Kick Payment for deliveries that occur prior to 39 weeks for reasons that are not medically indicated in the Louisiana Electronic Event Registration System (LEERS) maintained by the Office of Public Health/Vital Records. Deliveries that occur prior to 39 weeks for reasons that are medically indicated in LEERS will receive the Maternity Kick Payment. Mercer identified the average facility and delivering physician costs included in the Maternity Kick Payment by region and removed those costs to create the EED Kick Payment. Table 8 shows the EED reduction amount by region in the low and high scenarios. The resulting EED Kick Payment is equal to the Maternity Kick Payment plus the reduction amount in Table 8 and is shown in Appendix A.

Table 8: EED Rate Reduction

Region Description	Reduction – Low Cost per Delivery	Reduction – High Cost per Delivery
Gulf	\$(4,033.70)	\$(4,121.38)
Capital	\$(3,066.79)	\$(3,133.45)
South Central	\$(3,295.30)	\$(3,366.92)
North	\$(3,380.12)	\$(3,453.54)
Total	\$(3,465.14)	\$(3,540.45)

PH Trend

Trend is an estimate of the change in the overall cost of providing health care benefits over a finite period of time. A trend factor is necessary to estimate the cost of providing health care services in a future period. Mercer studied historical cost and utilization data for each of the three data sources incorporated in the capitation rates: Prepaid encounters, Shared Savings, and FFS. Trends were selected based on Louisiana experience, as well as national trend information.

Trends, delineated by utilization, unit cost, per member per month (PMPM), and by population are shown in Appendix E.

PH Efficiency and Managed Care Savings Adjustments

Mercer distinguishes efficiency adjustments (which are applied to previously managed populations) from managed care savings adjustments (which are applied to previously unmanaged populations). Efficiency adjustments are intended to reflect improved efficiency in

the hospital inpatient, emergency department (ED), and pharmacy settings, and are consistent with DHH's goal that the Bayou Health program be operated in an efficient, high quality manner.

Inpatient Hospital Efficiency Adjustment

Illness prevention is an important medical care element for all health care providers. DHH expects the MCOs to help their members stay healthy by preventing diseases or preventing complications of existing diseases. Since hospital expense represents a significant portion of all medical expenditures, Mercer performed a retrospective data analysis of the Plans' CY 2013 and CY 2014 encounter data using indicators developed by the Agency for Healthcare Research and Quality (AHRQ). These conditions are collectively referred to as Prevention Quality Indicators (PQI) and Pediatric Quality Indicators (PDI), respectively. Mercer utilized 13 adult and five pediatric PQIs as part of the analysis. Evidence suggests that hospital admissions for these conditions could have been avoided through high-quality outpatient care and/or the conditions could have been less severe if treated early and appropriately. AHRQ's technical specifications provide specific criteria that define each PQI and PDI that Mercer utilized in the analysis of the MCOs' inpatient hospital encounter data. Although AHRQ acknowledges that there are factors outside of the direct control of the health care system that can result in a hospitalization (e.g., environmental, patient compliance), AHRQ does recognize these analyses can be utilized to benchmark health care system efficiency between facilities and across geographies.

Accordingly, in the process of evaluating whether an adjustment is applicable to the rates, Mercer considered the following factors: member health risk and member enrollment duration with a particular health plan. Mercer then works with the State to identify the targeted efficiency level that should be applied to the outcome of the analysis.

While the AHRQ technical specifications include exclusionary criteria specific to each PQI and PDI, Mercer also considered clinically-based global exclusion criteria that removed a member's inpatient admissions from all inpatient efficiency analyses. The global exclusion criteria was utilized to identify certain conditions and situations (e.g., indications of trauma, burns, HIV/AIDS) that may require more complex treatment for members. Based on a review of the CY 2013 and CY 2014 inpatient encounter data, any member identified as having indications of any of the qualifying criteria resulted in all of that member's admissions being removed from the analyses. Once all clinical global exclusions (CGE) data was removed from the analysis, the embedded AHRQ exclusions, by PQI/PDI were then applied.

Additionally, even though the AHRQ technical specifications do not explicitly mention enrollment duration, Mercer considered enrollment duration as one of the contributing factors to review that would be associated with the applicability of a PQI/PDI-based adjustment. Enrollment duration was used as a proxy for issues such as patient compliance, health plan outreach and education,

time to intervene, and other related concepts. A variable-month enrollment duration ranging from two to twelve months, depending on PQI or PDI condition, was applied to the RY 2016 rates. This assumption meant that an individual had to be enrolled with the same plan for a minimum number of consecutive months prior to that individual's PQI or PDI hospital admission to be considered subject to the adjustment. Only the dollars associated with the PQI and PDI hospital admissions that met this enrollment duration criteria were included in the base data adjustment. Recipient eligibility data supplied by the State provided the information to make this duration test assessment.

Although the clinical global exclusions and enrollment duration criteria significantly reduced the total original PQI and PDI dollars, the State decided that to reflect its desire for value-focused purchasing, the final inpatient hospital efficiency adjustment had a 25% targeted efficiency level applied to the remaining PQI and PDI dollars that met both the health risk and enrollment duration criteria.

ED Efficiency Adjustment

Mercer performed a retrospective analysis of the health plans' CY 2013 and CY 2014 ED encounter data to identify ED visits that were considered preventable/pre-emptible. For the RY 2016 rate development, Mercer analyzed preventable/pre-emptible Low Acuity Non-Emergent (LANE) visits. This analysis was not intended to imply that members should be denied access to EDs or that the health plans should deny payment for the ED visits. Instead, the analysis was designed to reflect the State's objective that more effective, efficient, and innovative managed care could have prevented or pre-empted the need for some members to seek care in the ED setting in the first place.

The criteria used to define LANE ED visits was based on publicly available studies, input from Mercer's clinical staff, as well as review by practicing ED and PCPs. ICD-9 primary diagnosis code information was the basis for identifying an ED visit. A limited set of diagnosis codes was agreed upon by all physicians involved in developing the methodology for the analysis. Preventable percentages ranging from 5% to 90% were assigned to each diagnosis code to account for external factors that can influence and impact variation in ED use. Using procedure code information, the ED visits were evaluated from low complexity clinical decision making to high complexity clinical decision making. In addition, LANE ED visits that resulted in an inpatient admission or observation stay (observation revenue code 0762) were excluded. No adjustment was made for any possible up coding by providers.

For the RY 2016, Mercer excluded low unit cost visits from the LANE analysis to account for improvements in the health plans' use of triage fees and/or more appropriate health services management. A hierarchical process was used for the remaining LANE visits to identify those that could have been prevented or pre-empted. Beginning with the lowest acuity visits, data was

accumulated until the percentage of preventable/pre-emptible visits was achieved for each respective diagnosis code. Regardless of the targeted percentage, no LANE ED visit/dollars associated with the most complex clinical decision making procedure codes (99284-99285) were included in the final adjustment. In addition, a replacement cost amount (average cost physician visit) was made for the majority of LANE visits that were deemed preventable/pre-emptible. As a final step in the analysis, a 25% targeted efficiency level was applied to reflect the State's value-focused purchasing strategy. At this targeted efficiency level, 25% of the dollars identified were part of the final adjustment.

Appropriate Diagnosis for Selected Drug Classes (DxRx)

The DxRx efficiency adjustment is used to ensure appropriate utilization of selected drug classes in historical claims data, based on supporting diagnosis information in the recipients medical history. The selected drug classes were identified based on high cost, safety concerns, and/or high potential for abuse or misuse. Diagnosis information from 30 months (24 months prior to date of service, 6 months after date of service) of medical, professional, pharmacy and inpatient data is reviewed for each recipient. Appropriate drug-diagnosis pairs are reviewed annually by Mercer's team of clinicians, and include consideration for:

- FDA Approved Indications (both drug specific, and by drug class)
- Clinically-accepted, off-label utilization
 - As identified by published literature and clinical/ professional expertise
- Industry standard practices

Retrospective Pharmacy Claims Analysis

The clinical edits efficiency adjustment used a retrospective pharmacy claims analysis to identify inappropriate prescribing and/or dispensing patterns using a customized series of pharmacy utilization management edits that are clinically based on rules. Edits were developed by Mercer's managed pharmacy practice based on:

- Published literature
- Industry standard practices
- Clinical appropriateness review
- Professional expertise
- Information gathered during the review of several Medicaid FFS and managed care pharmacy programs across the country

The State decided that to reflect its response for value-focused purchasing, the final retrospective pharmacy claims analysis efficiency adjustment should reflect a 25% targeted efficiency level applied to the final adjustment identified.

The overall impact of the Inpatient, ED and Pharmacy efficiency adjustments was a decrease of \$1.78 to the PH program.

Managed Care Savings Adjustment

For those populations and services that had previously been excluded from Bayou Health, Mercer adjusted the capitation rates to reflect areas for managed care efficiency. Managed Care is able to generate savings by:

- Encouraging the use of preventive services so that acute conditions are not exacerbated to the point that requires a visit to the emergency room or hospitalization
- Using alternatives to the emergency room for conditions that are non-emergent in nature
- Increasing access and providing member education
- Minimizing duplication of services
- Hospital discharge planning to ensure a smooth transition from facility-based care to community resources and minimize readmissions

Statewide managed care savings factors were applied to the HCBS and CCM COAs. Additionally, DME and NEMT costs for Shared Savings enrollees were adjusted as part of this rate setting, as these services were excluded from Bayou Health Shared Savings. Appendix F summarizes the managed care savings adjustments that were applied to the Shared Savings/Legacy Medicaid FFS data.

Shared Savings Rx claims

Under the Bayou Health Shared Savings program, plans had limited ability to manage prescription drug costs. In order to use the Shared Savings experience to set capitated rates, adjustments were needed to account for generic dispense rate (GDR) differences between the Prepaid and Shared Savings experience. For the Prepaid program, GDR was approximately 84%, compared to approximately 77% for Shared Savings and FFS. This adjustment is a downward adjustment to the Shared Savings claims data. Mercer analyzed Shared Savings prescription drug experience and compared it to the spending on similar therapeutic classes of drugs in the Prepaid program. Mercer determined that achieving the same GDR levels would result in savings of 11.10% to 13.60%. Table 9 details the savings breakdown by COA.

Table 9: GDR Savings Adjustment

Savings from Improvement in GDR (w/Phase-in)						
COS Description	SSI	Family & Children*	BCC	LAP	HCBS Waiver** (FFS)	Total
	(%)	(%)	(%)	(%)	(%)	(%)
Low Savings	3.47%	17.68%	0.00%	24.92%	5.62%	11.10%
High Savings	5.97%	20.18%	1.78%	27.42%	8.12%	13.60%

*Includes FCC

**Includes CCM

Outliers

As part of the State Plan, inpatient hospitals receive an additional payment for high-cost stays for children under six, called outliers. These payments are for inpatient stays with a total cost to the hospital in excess of \$150,000, where the cost is determined based on the hospital's Neonatal Intensive Care Unit (NICU) or Pediatric Intensive Care Unit (PICU) -specific CCR. DHH makes payments to a maximum of \$10 million, annually. As payment of outlier liability is the responsibility of Bayou Health MCOs, this additional \$10 million was built into the rates based on the distribution by rate cell observed in state fiscal year (SFY) 13 payments. Outliers added an average cost of \$0.89 PMPM to the base data used in rate setting. Table 10 details the impact of outliers on the rates by rate cell.

Table 10: Outlier Claims to be Added into Bayou Health from \$10 Million Pool

COA Description	Rate Cell Description	CY 2014 MMs	Outlier PMPM	Outliers Total Adjustment
SSI	Newborn, 0-2 Months	1,791	\$1,457.70	\$2,610,741
SSI	Newborn, 3-11 Months	7,075	\$8.84	\$62,523
SSI	Child, 1-20 Years	472,130	\$0.50	\$234,445
Family & Children	Newborn, 0-2 Months	173,111	\$39.97	\$6,918,792
Family & Children	Child, 1-20 Years	7,757,419	\$0.02	\$173,499
Total*		11,255,774	\$0.89	\$10,000,000

*Total includes MMs for all populations in Bayou Health Physical Health.

Subsection 2B: SBH Services

Unlike PH services, SBH services are covered services in both the PH program and the SBH program. Therefore, the rate development adjustments in the following sections are applicable to both programs.

SBH Historical Adjustments

Inpatient Hospital Fee Schedules

Inpatient Hospital fee schedules have changed in Medicaid from the levels reported in the base data. Most notably, rates for certain public hospitals changed as a result of the public/private partnership. The changes to the hospital rates represent both increases and decreases depending on the hospital.

Mercer has included an adjustment to the capitation rates to account for the changes to the hospital reimbursement, including the public/private partnership. In order to account for this change, Mercer analyzed the base data by hospital and region separately for adults and children services. For adults, Mercer compared the PIHP fee schedules and per diem costs reported in the encounter data to the new State Medicaid fee schedule. Based on this comparison, Mercer determined no adjustment was needed for the Adult rates as the PIHP fee schedule underlying the encounter data generally aligned with the new State Medicaid fee schedule. For children, however, hospital reimbursement levels in the encounter data generally followed historic State Medicaid fee schedules. As a result, an adjustment was necessary to reflect changes between the historic and the new fee schedule for the children's rates.

Overall, this represents a 0.3% increase to both CY 2013 and CY 2014 SBH services and impacts child rating groups only.

Outpatient/Psychiatric Residential Treatment Facility (PRTF)/Permanent Supportive Housing (PSH) Fee Adjustment

Outpatient Fee Adjustment

The State has historically implemented fee schedule adjustments for various outpatient services. For outpatient providers, the fee schedule adjustment process includes an estimation of cost settlements that are not captured in the historic base data. Since cost settlements will become the responsibility of the MCOs under managed care, an adjustment to the Bayou Health rates was necessary.

PRTF Per Diem Adjustment

DHH informed Mercer of two PRTF providers that have historically been subject to risk-sharing arrangements that have had recent per diem changes. The prior risk-sharing process resulted in additional payments to the providers as the per diem documented in the cost reports was higher than the interim rates. Mercer has built in consideration of provider specific rates for these providers based on the cost report per diems.

To calculate the impact, DHH provided Mercer with the risk-sharing calculations that were based on base paid and final targeted per diem rates for these two providers. The final cost impact was calculated by another firm on behalf of DHH. Mercer reviewed these calculations for reasonability but did not audit them. Mercer leveraged the final calculations to determine the net impact to the CY 2013 and CY 2014 time period to develop the program change impact. Mercer incorporated the expected cost for the per diem change based on utilization during the 2013 and 2014 time periods.

PSH Provider Rate Increase

Subsequent to base data period, DHH implemented a 5% rate increase to certain providers delivering community psychiatric services to individuals in the PSH program. Using the list of PSH providers from DHH, Mercer summarized historic cost and utilization data for community psychiatric services for these providers and calculated the impact of the 5% increase. Mercer applied this impact to rating group and region based on historic utilization patterns.

Overall, the Outpatient, PRTF, and PSH fee adjustment represent a 0.2% and 0.3% increase to CY 2013 and CY 2014 SBH services, respectively.

1915(c) CSoC Regional Expansion

DHH submitted an amendment to the 1915(c) CSoC waiver to increase the number of waiver slots to 2,400 slots. Upon expansion, certain children previously classified in a Bayou Health rating group shifted to the CSoC program. The CSoC population will have select services covered by Bayou Health, including PRTF, TGH, and SUD services. Magellan will continue to

administer the remaining SBH services for this population. Mercer calculated the volume of CSoC transitions by comparing the average 2013 and 2014 CSoC enrollment to emerging levels as of December 2015. The growth by region is outlined in Table 11:

Table 11: CSoC Enrollment's Growth by Region

CSoC Enrollment	Average 2013	Average 2014	As of December 2015	Projected RY 2016 CSoC Recipients
Gulf	198	282	673	688
Capital	213	256	615	629
South Central	153	192	444	454
North	493	506	517	529
Statewide	1,057	1,235	2,249	2,300

Mercer then analyzed the historic SBH expenses associated with CSoC enrollees and noted that it is materially higher when compared to the PMPM for other Bayou Health rating groups (\$611.47 and \$20.66, respectively for CY 2013; \$968.66 and \$26.08, respectively for CY 2014). Because of this differential, the movement of those higher needs children out of Bayou Health rating groups resulted in a reduction in the average PMPM by region. The transition analysis was performed on a regional basis using the underlying PMPMs for each region, as well as CSoC-specific PMPMs for each region.

Overall, this represents a decrease of 2.7% and 3.2% to CY 2013 and CY 2014 SBH services, respectively, and impacts child rating groups only.

Medication Management Rate Change

Effective January 2013, the prior Medication Management procedure code of 90862 was eliminated and the services were required to be billed under General Evaluation and Management codes 99211-99214, 90863. These codes, as reflected in the base data, were reimbursed at lower rates than the prior medication management services in 2012. The PIHP revised the fee schedule in 2014 to adjust the fees for medication management services up to prior historical levels. DHH indicated it expects providers to continue to be paid at the higher reimbursement level under the Bayou Health program. For this reason, Mercer determined it was necessary to adjust the 2013 base data, but not the 2014 base data.

Mercer analyzed 2014 encounter data by region and observed an increase in these services' 2013 average reimbursement rate to roughly \$71 per unit. Mercer calculated the program change impact based on reported service utilization in each region.

Overall, this represents a 1.1% increase to CY 2013 SBH services.

Historical Trend

Mercer reviewed the 2013 and 2014 financials and encounters data for SBH services and determined it was necessary to apply a historical trend to the CY 2013 base data before blending the two years of base data. For SBH services, a historical trend of 3% and 32% were applied to adult and child rating groups, respectively. For NEMT Services, 16% historical trend was applied to the SBH Dual COA and 11% to the SBH CCM, SBH HCBS, and SBH Other COAs.

SBH Prospective Adjustments

Elimination of the 1915(i) Program Authority and Amendment of the State Plan

In order to accelerate receipt of medically necessary specialized mental health services for adults and make community-based licensed mental health professional (LMHP) services available to more individuals, DHH transitioned services currently in the 1915(i) to the Medicaid State Plan. The prior 1915(i) authority limited the availability of certain services to adults requiring acute stabilization or meeting certain functional criteria for a major mental disorder and the seriously mentally ill (SMI). The services covered under the 1915(i) included community psychiatric services including ACT, psychosocial rehab services, and services provided by other LMHPs. Another aspect of the 1915(i) program was the requirement of an independent assessment to confirm an individual met the population criteria before services could be received.

While the services will be covered under the State Plan, individuals will need to meet medical necessity criteria in order to be authorized for the services. Mercer understands the medical necessity criteria for community psychiatric and psychosocial rehab services will generally align with the diagnosis criteria associated with major mental disorders and SMI. The criteria for other LMHPs will apply to a broader segment of the covered population and not be specific to major mental disorders or SMI.

Mercer has reviewed the changes to the delivery of these former 1915(i) services with Mercer clinicians and policy consultants and identified two specific rate considerations.

- Elimination of the independent assessment will likely result in individuals accessing services more quickly. DHH has indicated that individuals have experienced, on average, a 30-day wait period for services while they await the independent assessment. Mercer analyzed the historical claims data to identify the subset of the 1915(i) users that were new to the program and expected to utilize more services in a 12-month period if the independent assessment was eliminated. Specifically, Mercer evaluated the individuals who utilized services through December 2014 and made an assumption about the number of members

who utilized services in 2014 that would have utilized more services had their authorizations started earlier in the year.

Table 12: Impact to Adult Services of Elimination of Independent Assessment

Total 1915(i) 2014 recipient count	51,344
Subset of recipients that are projected to receive an additional month of service	653
Average monthly cost of 1915(i) services (CY 2014)	\$538
Program Change PMPM	\$0.11
Adult PMPM	\$28.92
Total Impact to Adult Services	0.4%

- Expanded access to services provided by other licensed professionals (OLPs) will likely result in an increase to the penetration rate over time for other professional services. Individuals will still need to meet medical necessity criteria to access other professional services, but more individuals are expected to meet the criteria than historically when the 1915(i) services were limited to SMI or major mental disorder. To evaluate the potential change in utilization, Mercer reviewed the service utilization and penetration rates for other states where other professional services have been covered in the State Plan. The penetration rates in these other states are higher for adults indicating broader utilization of the services. The penetration rate findings are as follows:

Table 13: Penetration rate findings

2013 penetration rate for OLP services in Louisiana	2.5% of Adults
Penetration rate for similar OLP services in Other States	Up to 10% of Adults

- Mercer assumed the utilization of these services would increase over time essentially modeling a doubling of these services from January 2016 to January 2017. The utilization has been assumed to progressively increase over time as provider capacity may need to be developed to meet the demand as individuals understand the availability of these services.

Table 14: Impact to Adult Services of Expansion of Access to Services

December 2014 recipients	2,790
Projected January 2016 based on emerging data	2,881
Projected January 2017 users	5,762
Total new users in rating period	18,725
Average 2014 monthly cost by OLPs	\$130.88
Program change PMPM	\$0.73
Adult PMPM	\$28.92
Total Impact to Adult Services	2.5%

- This issue will continue to be monitored and evaluated as part of future rate-setting exercises as more data becomes available. The overall impact of the adjustment to account for the elimination of the 1915(i) authority and coverage of these services under the State Plan is a 0.8% impact overall and impacts the adult rate cells only.

SBH Trend

Trend is an estimate of the change in the overall cost of providing health care services over a finite period of time. Capitation rate ranges are actuarial projections of future contingent events and a trend factor is necessary to estimate the expenses of providing health care services in the future rating period.

For the Child population, Mercer studied historical cost and utilization encounter data as well as national trend information to select a trend. For the Adult population, Mercer relied upon Financials, due to encounter data reporting issues in the MMIS system.

Trends, delineated by utilization, unit cost, PMPM, and by population are shown in Appendix E.

Subsection 2C: All Services Combined

The following adjustments were developed and applied using all covered services within the respective programs.

Retroactive Eligibility Adjustment

Beginning in February 2015, members granted retroactive eligibility will be capitated retroactively, based on their eligibility for Bayou Health, for up to 12 months prior to enrollment in an MCO. The MCO selected by these members will then receive one capitation payment per month of retroactive enrollment, and will be liable for all claims incurred during this retroactive eligibility period. Mercer developed an adjustment factor to apply to the base data in the capitation rate development. Mercer did not apply any savings adjustments to the retroactive period claims in the development of these factors because the MCO will have no ability to manage utilization during the retroactive period.

The retroactive eligibility adjustment was developed as an increase to the capitation rates set for all members, meaning that the capitation payment is higher than otherwise required on non-retroactive MMs. Retroactive enrollment in any given rate cell will generate the same capitation payment per month to the MCO as any other enrollee in that same rate cell. The factors were developed at a rate cell level on a statewide basis (i.e., all regions used the same factors). The calculation relied upon retroactive claims PMPM, unique enrollee counts, and the average duration to develop the expected increase to Bayou Health claims.

Mercer reviewed the average duration of enrollees who were retroactively enrolled during 2014 using data from January 2013 to December 2014.

In some rate cells, the retroactive claims PMPM was below the base data claims PMPM. This generated an adjustment factor less than 1.0. The decision was made to not use a factor less than 1.0 on any rate cell. These implied factors (calculated) and final factors (used) are supplied in Appendix G.

Table 15 summarizes the overall adjustment by rate cell for retroactive eligibility.

Table 15: Retroactive Eligibility Adjustment

COA Description	Rate Cell Description	Adjustment (%)
SSI	0 - 2 Months	0.00%
SSI	3 - 11 Months	0.00%
SSI	Child 1 – 20	0.00%
SSI	Adult 21+	0.53%
Family & Children	0 - 2 Months	0.00%
Family & Children	3 - 11 Months	0.00%
Family & Children	Child 1 – 20	0.00%
Family & Children	Adult 21+	0.00%
FCC	FCC, All Ages	0.00%
BCC	BCC, All Ages	2.61%
LAP	LAP, All Ages	0.37%
HCBS	Child 0 – 20	0.00%
HCBS	Adult 21+	0.01%
CCM	CCM, All Ages	0.02%
SBH — CCM	SBH — Chisholm, All Ages Male & Female	0.00%
SBH — Duals	SBH — Dual Eligible, All Ages	0.00%
SBH — HCBS	SBH — 20 & Under, Male and Female	0.00%
SBH — HCBS	SBH — 21+ Years, Male and Female	0.00%
SBH — Other	SBH — Other, All Ages	0.00%
Maternity Kick Payment	Maternity Kick Payment	0.00%

Full Medicaid Pricing (FMP)

Beginning in April 2014, DHH implemented a series of program changes to ensure consistent pricing in the Medicaid program for hospital services, including inpatient hospital, outpatient hospital, hospital-based physician, and ambulance services. This change required the use of FMP in the calculation of PMPM payments to MCOs. DHH expects this rate increase will lead to increased payments to those providers contracting with the MCOs to maintain and increase

access to inpatient hospital, outpatient hospital, hospital-based physician, and ambulance services to the enrolled Medicaid populations. Mercer and DHH reviewed the aggregate funding levels for these services between the base period and the contract period and determined that an addition to the historical data was necessary in order to ensure the capitation rate ranges reflect adequate statewide pricing levels. Separate adjustments were made to each of the four services to capture the full impact of statewide funding.

FMP adjustments were implemented for inpatient and outpatient services effective April 2014. Physician and ambulance FMP adjustments were implemented effective July 2015.

Inpatient Hospital Services

Mercer relied upon an analysis of Medicare diagnosis related group equivalent pricing of Medicaid services provided by DHH. For PH, this analysis was done for each legacy subprogram (i.e., the three legacy Prepaid plans in aggregate, and the legacy Shared Savings/FFS). A separate analysis was done for the SBH claims. The analyses relied upon encounter, Shared Savings/FFS, and LBHP data incurred from July 2013 to June 2014 and compared the adjusted Medicare payments to the Medicaid payment on a per discharge basis at each hospital. The Medicare payments were adjusted to reflect the treatment of Medicaid patients and reflected the SFY15 reimbursement schedule. The SFY14 Medicaid payments were adjusted to reflect fee changes effective in SFY15 and payments made outside of the claims system (outlier payments). Mercer applied the ratio between the two payments to the base data at a hospital-specific level. Tables 17a and 17b below show the impact of FMP on the adjusted base cost of PH and SBH inpatient hospital services, respectively.

Table 17a: Inpatient Hospital FMP Impact (PH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Dollar Impact (Table 6a)	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$608,712,298	\$10,934,243	\$619,646,540	\$435,065,137	70.21%
CY 2014	\$563,991,217	-\$1,296,978	\$562,694,239	\$413,327,440	73.46%

Table 17b: Inpatient Hospital FMP Impact (SBH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Dollar Impact	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$65,720,876	\$838,008	\$66,558,885	\$27,159,733	40.81%
CY 2014	\$60,329,251	\$1,030,195	\$61,359,446	\$21,725,797	35.41%

Outpatient Hospital Services

The outpatient FMP was developed according to the State Plan using CCRs, which used reported costs and billed charges by hospital. The CCRs supplied by DHH were reported on hospital fiscal year bases, which varied by hospital from February 28, 2014 to December 31, 2014. The billed charges originated from the PH and SBH base data. Mercer applied the ratio between the base data and cost estimates at a hospital level to develop the outpatient component of the FMP. Tables 18a and 18b below show the impact of FMP on the adjusted base cost of PH and SBH outpatient hospital services, respectively.

Table 18a: Outpatient Hospital FMP Impact (PH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Dollar Impact	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$351,651,586	\$15,044,474	\$366,696,060	\$133,061,119	36.29%
CY 2014	\$371,250,343	\$13,364,559	\$384,614,902	\$142,417,061	37.03%

Table 18b: Outpatient Hospital FMP Impact (SBH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Dollar Impact	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$6,831,512	-\$306,525	\$6,524,987	\$939,767	14.40%
CY 2014	\$8,965,414	-\$92,370	\$8,873,044	\$704,437	7.94%

Hospital-Based Physician Services

. Mercer performed an analysis of hospital-based physician services provided at participating facilities by participating physicians compared to the average commercial rates for the same

services according to the State Plan methodology. The average commercial rates are maintained by DHH and updated periodically. For state-owned or operated entities, average commercial rate factors are updated annually. DHH provided state-owned conversion factors for RY 2016. For non-state owned or operated entities, the average commercial rate factors are indexed to Medicare rates and updated every 3 years. DHH provided the latest available non-state factors, which were last updated as recently as December 2015. Tables 19a and 19b below show the impact of FMP on the adjusted base cost of PH and SBH hospital-based physician services meeting the State Plan's criteria for FMP.

Table 19a: Hospital-Based Physician FMP Impact (PH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Estimated Dollar Impact	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$87,306,690	\$1,863,766	\$89,170,456	\$85,986,130	96.43%
CY 2014	\$88,124,993	\$0	\$88,124,993	\$85,883,764	97.46%

Table 19b: Hospital-Based Physician FMP Impact (SBH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Dollar Impact	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$546,936	\$0	\$546,936	\$387,827	70.91%
CY 2014	\$639,270	\$0	\$639,270	\$298,063	46.63%

Ambulance Services

Mercer performed an analysis of ambulance services utilized by Medicaid enrollees according to the State Plan using Medicare fee schedules and average commercial rates as a percentage of Medicare. Ambulance providers were classified as either Large Urban Governmental (LUG) or non-LUGs. LUGs have historically received 100% of the gap between average commercial rate and the Medicaid fee schedule while non-LUGs have historically received 17.35% of the gap. Mercer developed increases using these assumed funding levels. Average commercial rates as a percentage of Medicare were provided by DHH for RY 2016. According to the State Plan, average commercial rates are updated every three years. No ambulance services meeting the State Plan's criteria were found in the SBH claims experience. Tables 20a below shows the

impact of FMP on the adjusted base cost of PH ambulance services meeting the State Plan's criteria for FMP,

Table 20a: Ambulance FMP Impact (PH)

	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [D] / [C]
Time Period	Historical Cost	Historical Adjustment Estimated Dollar Impact	Adjusted Cost	FMP Impact	FMP Impact as % of Adjusted Cost
CY 2013	\$27,841,853	\$594,350	\$28,436,203	\$13,028,188	45.82%
CY 2014	\$30,278,811	\$0	\$30,278,811	\$15,197,450	50.19%

As part of the rate development process, Mercer blended the CY 2013 and CY 2014 projected claims PMPM inclusive of the FMP amounts. The overall PMPM impact on final projected claims is summarized in Table 21 below:

Table 21: FMP PMPM Impact

		[A]	[B]	[C]	[D] = [A]+[B]+[C]
Full Medicaid Pricing PMPM Impact					
COA Description	CY 2014 MMs	Hospital (IP/OP)	Ambulance	Physician	Total
SSI	1,391,195	\$157.13	\$6.65	\$20.42	\$184.20
F&C	9,538,623	\$25.26	\$0.94	\$5.22	\$31.42
FCC	126,475	\$14.37	\$1.24	\$4.09	\$19.70
BCC	13,070	\$511.90	\$3.16	\$44.45	\$559.50
LAP	40,170	\$12.14	\$0.41	\$3.61	\$16.16
HCBS Waiver	77,066	\$106.68	\$6.83	\$13.80	\$127.32
CCM	69,175	\$73.30	\$2.73	\$8.51	\$84.54
SBH – CCM	70,181	\$0.00	\$0.00	\$0.00	\$0.00
SBH - Dual Eligible	1,117,726	\$0.73	\$0.00	\$0.06	\$0.79
SBH - HCBS Waiver	77,066	\$10.68	\$0.00	\$0.08	\$10.76
SBH – Other	36,202	\$61.19	\$0.00	\$0.28	\$61.47
Maternity Kick Payment	37,712	\$3,203.67	\$0.00	\$378.61	\$3,582.28
Total¹	12,556,949	\$48.30	\$1.52	\$7.61	\$57.43

Notes

1- The total line and composite PMPMs duplicate the voluntary opt-in membership

Non-Medical Expense Load

The actuarially sound capitation rate ranges developed include a provision for MCO administration and other non-medical expenses. Mercer reviewed historical Prepaid plan expense data and relied on its professional experience in working with numerous State Medicaid programs to develop the administrative load. The load for each rate cell was determined using a fixed and variable cost model. Under this model, a fixed administrative expense is attributed to each rate cell, which reflects program requirements, such as state-mandated staffing, and other indirect operational expenses. Added to this is a variable administrative amount, based on claims volume. In development of the PH Program rate cells, the variable administrative amount on each rate cell was determined by using 2% of pharmacy claim costs plus 5.66% of all other medical costs. Maternity kick payment rate cells have only the variable medical cost administrative load. For the SBH program, the variable administrative amount on each rate cell was determined using 4.77% of the covered claims expense. This methodology results in administrative expense loads that vary as a percentage by rate cell. The resulting variance in administrative expense determined using this methodology results in a higher allocation of administrative expenses on the rate cells with higher utilization, which Mercer believes is more accurate in reflecting the drivers of plan administration requirements.

Mercer reviewed plan financial information provided by the Prepaid plans to develop administrative cost expectations. The development included consideration for increases in expenses including items such as additional case management due to claims volume and increases in staff compensation over time. The administrative development also included an expected increase in staffing and operational expenses associated with the inclusion of SBH services and the new SBH program population. Final Administrative cost expectation was \$23.63 to \$24.84 PMPM.

Additionally, provision has been made in the rate development for a 2.00% underwriting gain calculated before applying any adjustment for FMP. Final rates also include provision for Louisiana's 2.25% premium tax. The FMP PMPMs include provision for premium tax only.

Risk Adjustment

Risk adjustment will be applied to the rates in Appendix A to reflect differences in health status of the members served in each MCO using the Adjusted Clinical Groups (ACG) model. The risk adjustment process does not increase nor decrease the overall cost of the program, but can change the distribution across the various Bayou Health MCOs according to the relative risk of their enrolled members. Table 21 shows the rate cells that will be risk adjusted.

Table 21: Risk-Adjusted Rate Cells

SSI	
Child, 1–20 Years, Male & Female	Adult, 21+ Years, Male & Female
Family and Children (TANF)	
Child, 1–20 Years, Male & Female	Adult, 21+ Years, Male & Female
FCC	
All Ages, Male & Female	
LAP	
All Ages, Male & Female	

Voluntary Opt-In Adjustment

It is unclear at this time if there will be a material difference in the risk profile of the Opt-in population from the historical FFS population. Therefore, Mercer made no adjustments for selection risk in the development of the HCBS and CCM rates.

Federal Health Insurer Fee

Section 9010 of the ACA established a health insurance provider fee (HIPF), which applies to certain for-profit/tax-paying health insurers. For-profit Medicaid health plans are not exempt from the HIPF, which will become a cost of doing business that is appropriate to recognize in actuarially sound capitation rates.

At the time of this certification, many aspects of the calculation and application of this fee are not yet determined and/or finalized. These fees will be calculated and become payable sometime during the third quarter of 2017. As these fees are not yet defined by insurer and by marketplace, no adjustment has been made in the rate range development for the Bayou Health program. An adjustment and revised certification will be considered when the fee amount and impacted entities applicable to this rate period are announced in 2017.

Section 3: Certification of Final Rate Ranges

In preparing the rate ranges shown in Attachment A, Mercer has used and relied upon enrollment, FFS claims, encounter data, reimbursement level, benefit design, and other information supplied by DHH and its fiscal agent. DHH, its fiscal agent, and the Prepaid plans are responsible for the validity and completeness of the data supplied. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit them. In our opinion they are appropriate for the intended purposes. If the data and information are incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

Mercer certifies that the rates in Attachment A were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the managed care contract. Rate estimates provided are based upon the information available at a point in time and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate. The undersigned actuaries are members of the American Academy of Actuaries and meet its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Rates and ranges developed by Mercer are actuarial projections of future contingent events. Actual Bayou Health MCO costs will differ from these projections. Mercer has developed these rates on behalf of DHH to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c), and in accordance with applicable law and regulations. Use of these rate ranges for any purpose beyond that stated may not be appropriate.

Bayou Health MCOs are advised that the use of these rate ranges may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rate ranges by Bayou Health MCOs for any purpose. Mercer recommends that any Bayou Health MCO considering contracting with DHH should analyze its own projected medical expense, administrative expense, and any other premium needs for comparison to these rate ranges before deciding whether to contract with DHH.

This certification letter assumes the reader is familiar with the Bayou Health Program, Medicaid eligibility rules, and actuarial rate-setting techniques. It is intended for DHH and CMS, and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified professionals competent in the area of actuarial rate projections to understand the technical nature of these results.

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February 26, 2016
Ms. Amanda Joyner
Louisiana Department of Health and Hospitals

If you have any questions on any of the information provided, please feel free to call us at
+1 404 442 3358 or +1 404 442 3517.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Simons'.

Jaredd Simons, ASA, MAAA
Senior Associate Actuary

A handwritten signature in blue ink, appearing to read 'Erik Axelsen'.

Erik Axelsen, ASA, MAAA
Senior Associate Actuary

Appendix E

Appendix A: Bayou Health Capitation Rate Range

Region Description	COA Description	Rate Cell Description	CY 2014 MMs or Deliveries	Lower Bound PMPM or Cost per Delivery	Upper Bound PMPM or Cost per Delivery
Gulf	SSI	0 - 2 Months	499	\$27,754.36	\$28,393.93
Gulf	SSI	3 - 11 Months	2,016	\$7,250.16	\$7,411.77
Gulf	SSI	Child 1 - 20	140,382	\$700.51	\$733.78
Gulf	SSI	Adult 21+	268,331	\$1,240.93	\$1,280.94
Gulf	Family & Children	0 - 2 Months	48,751	\$1,705.49	\$1,754.55
Gulf	Family & Children	3 - 11 Months	108,391	\$272.54	\$283.77
Gulf	Family & Children	Child 1 - 20	2,120,899	\$156.41	\$164.78
Gulf	Family & Children	Adult 21+	388,455	\$323.40	\$337.82
Gulf	Foster Care Children	FCC, All Ages	23,352	\$518.08	\$552.29
Gulf	BCC	BCC, All Ages	3,937	\$2,262.84	\$2,339.95
Gulf	LAP	LAP, All Ages	10,244	\$184.94	\$194.58
Gulf	HCBS	Child 0 - 20	7,178	\$1,835.37	\$1,963.45
Gulf	HCBS	Adult 21+	13,626	\$1,066.32	\$1,121.51
Gulf	CCM	CCM, All Ages	16,983	\$1,149.31	\$1,233.62
Gulf	SBH — CCM	SBH — CCM, All Ages Male & Female	17,167	\$157.40	\$170.00
Gulf	SBH —Duals	SBH — Dual Eligible, All Ages	299,337	\$28.06	\$29.15
Gulf	SBH —HCBS	SBH — 20 & Under, Male and Female	7,178	\$77.72	\$83.18
Gulf	SBH —HCBS	SBH — 21+ Years, Male and Female	13,626	\$84.70	\$87.56
Gulf	SBH —Other	SBH — Other, All Ages	7,536	\$231.08	\$237.77
Gulf	Maternity Kick Payment	Maternity Kick Payment	10,549	\$10,181.22	\$10,314.75
Gulf	EED Kick Payment	EED Kick Payment	N/A	\$6,147.52	\$6,193.37
Capital	SSI	0 - 2 Months	384	\$27,754.36	\$28,393.93
Capital	SSI	3 - 11 Months	1,488	\$7,250.16	\$7,411.77
Capital	SSI	Child 1 - 20	104,301	\$700.95	\$735.88

Region Description	COA Description	Rate Cell Description	CY 2014 MMs or Deliveries	Lower Bound PMPM or Cost per Delivery	Upper Bound PMPM or Cost per Delivery
Capital	SSI	Adult 21+	195,553	\$1,295.40	\$1,340.11
Capital	Family & Children	0 - 2 Months	42,461	\$1,950.22	\$2,000.49
Capital	Family & Children	3 - 11 Months	96,528	\$268.36	\$279.79
Capital	Family & Children	Child 1 - 20	1,914,036	\$164.35	\$173.17
Capital	Family & Children	Adult 21+	288,647	\$379.69	\$396.66
Capital	Foster Care Children	FCC, All Ages	33,498	\$518.08	\$552.29
Capital	BCC	BCC, All Ages	3,825	\$2,262.84	\$2,339.95
Capital	LAP	LAP, All Ages	10,876	\$184.94	\$194.58
Capital	HCBS	Child 0 - 20	7,499	\$1,835.37	\$1,963.45
Capital	HCBS	Adult 21+	12,294	\$1,066.32	\$1,121.51
Capital	CCM	CCM, All Ages	17,068	\$1,149.31	\$1,233.62
Capital	SBH — CCM	SBH — CCM, All Ages Male & Female	17,176	\$157.40	\$170.00
Capital	SBH — Duals	SBH — Dual Eligible, All Ages	239,197	\$21.80	\$22.64
Capital	SBH — HCBS	SBH — 20 & Under, Male and Female	7,499	\$77.72	\$83.18
Capital	SBH — HCBS	SBH — 21+ Years, Male and Female	12,294	\$84.70	\$87.56
Capital	SBH — Other	SBH — Other, All Ages	8,412	\$231.08	\$237.77
Capital	Maternity Kick Payment	Maternity Kick Payment	9,280	\$9,708.88	\$9,826.44
Capital	EED Kick Payment	EED Kick Payment	N/A	\$6,642.09	\$6,692.99
South Central	SSI	0 - 2 Months	466	\$27,754.36	\$28,393.93
South Central	SSI	3 - 11 Months	1,871	\$7,250.16	\$7,411.77
South Central	SSI	Child 1 - 20	108,433	\$682.40	\$715.83
South Central	SSI	Adult 21+	237,953	\$1,162.63	\$1,200.74

Region Description	COA Description	Rate Cell Description	CY 2014 MMs or Deliveries	Lower Bound PMPM or Cost per Delivery	Upper Bound PMPM or Cost per Delivery
South Central	Family & Children	0 - 2 Months	46,634	\$2,065.71	\$2,116.67
South Central	Family & Children	3 - 11 Months	104,955	\$276.80	\$288.29
South Central	Family & Children	Child 1 - 20	2,083,138	\$160.35	\$168.72
South Central	Family & Children	Adult 21+	299,789	\$349.04	\$364.86
South Central	Foster Care Children	FCC, All Ages	44,797	\$518.08	\$552.29
South Central	BCC	BCC, All Ages	2,747	\$2,262.84	\$2,339.95
South Central	LAP	LAP, All Ages	12,678	\$184.94	\$194.58
South Central	HCBS	Child 0 - 20	6,786	\$1,835.37	\$1,963.45
South Central	HCBS	Adult 21+	14,109	\$1,066.32	\$1,121.51
South Central	CCM	CCM, All Ages	18,278	\$1,149.31	\$1,233.62
South Central	SBH — CCM	SBH — CCM, All Ages Male & Female	18,709	\$157.40	\$170.00
South Central	SBH — Duals	SBH — Dual Eligible, All Ages	323,040	\$19.12	\$19.84
South Central	SBH — HCBS	SBH — 20 & Under, Male and Female	6,786	\$77.72	\$83.18
South Central	SBH — HCBS	SBH — 21+ Years, Male and Female	14,109	\$84.70	\$87.56
South Central	SBH — Other	SBH — Other, All Ages	10,727	\$231.08	\$237.77
South Central	Maternity Kick Payment	Maternity Kick Payment	10,188	\$8,394.53	\$8,516.38
South Central	EED Kick Payment	EED Kick Payment	N/A	\$5,099.23	\$5,149.46

Region Description	COA Description	Rate Cell Description	CY 2014 MMs or Deliveries	Lower Bound PMPM or Cost per Delivery	Upper Bound PMPM or Cost per Delivery
North	SSI	0 - 2 Months	442	\$27,754.36	\$28,393.93
North	SSI	3 - 11 Months	1,700	\$7,250.16	\$7,411.77
North	SSI	Child 1 - 20	119,014	\$732.77	\$771.83
North	SSI	Adult 21+	208,362	\$1,075.63	\$1,109.86
North	Family & Children	0 - 2 Months	35,265	\$1,972.31	\$2,023.24
North	Family & Children	3 - 11 Months	81,697	\$275.01	\$286.45
North	Family & Children	Child 1 - 20	1,639,346	\$161.97	\$171.11
North	Family & Children	Adult 21+	239,631	\$323.39	\$338.14
North	Foster Care Children	FCC, All Ages	24,828	\$518.08	\$552.29
North	BCC	BCC, All Ages	2,561	\$2,262.84	\$2,339.95
North	LAP	LAP, All Ages	6,372	\$184.94	\$194.58
North	HCBS	Child 0 - 20	4,318	\$1,835.37	\$1,963.45
North	HCBS	Adult 21+	11,256	\$1,066.32	\$1,121.51
North	CCM	CCM, All Ages	16,846	\$1,149.31	\$1,233.62
North	SBH — CCM	SBH — CCM, All Ages Male & Female	17,129	\$157.40	\$170.00
North	SBH — Duals	SBH — Dual Eligible, All Ages	256,152	\$20.52	\$21.30
North	SBH — HCBS	SBH — 20 & Under, Male and Female	4,318	\$77.72	\$83.18
North	SBH — HCBS	SBH — 21+ Years, Male and Female	11,256	\$84.70	\$87.56
North	SBH — Other	SBH — Other, All Ages	9,527	\$231.08	\$237.77
North	Maternity Kick Payment	Maternity Kick Payment	7,696	\$8,994.52	\$9,112.86
North	EED Kick Payment	EED Kick Payment	N/A	\$5,614.41	\$5,659.32

Appendix B: Bayou Health Eligibility Designation

COA/Eligibility Category Name	Mandatory	Voluntary Opt-In	SBH & NEMT	Excluded
SSI (ABD)				
Physical health Hospitals (LOS > 30 days)	●			
BPL (Walker vs. Bayer)	●			
CSOC	●			
Disability Medicaid	●			
Disabled Adult Child	●			
DW/W	●			
Early Widow/Widowers	●			
Family Opportunity Program	●			
Former SSI	●			
Medicaid Buy-In Working Disabled (Medicaid Purchase Plan)	●			
PICKLE	●			
Provisional Medicaid	●			
Section 4913 Children	●			
SGA Disabled W/W/DS	●			
SSI	●			
SSI Conversion	●			
Tuberculosis	●			
SSI (Office of Community Service (OCS) Foster Care, IV-E OCS/Office of Youth Development (OYD) and OCS/OYD (XIX))				
Foster Care IV-E — Suspended SSI	●			
SSI	●			
TANF (Families and Children, Low Income Families with Children (LIFC))				
CHAMP — Child	●			
CHAMP — Pregnant Woman (to 133% of Federal Poverty Income Guidelines (FPIG))	●			
CHAMP — Pregnant Woman Expansion (to 185% FPIG)	●			

COA/Eligibility Category Name	Mandatory	Voluntary Opt-In	SBH & NEMT	Excluded
Deemed Eligible	●			
ELE — Food Stamps (Express Lane Eligibility — Food Stamps)	●			
Grant Review	●			
LaCHIP Phase 1	●			
LaCHIP Phase 2	●			
LaCHIP Phase 3	●			
LaCHIP Phase IV —Pregnant Women Expansion	●			
HPE LaCHIP	●			
HPE LaCHIP Unborn	●			
LIFC — Unemployed Parent/CHAMP	●			
LIFC Basic	●			
PAP - Prohibited Aid for Families with Dependent Children Provisions	●			
Pregnant women with income greater than 118% of Federal Poverty Level (FPL) and less than or equal to 133% of FPL	●			
Regular MNP	●			
HPE Children under age 19	●			
Transitional Medicaid	●			
HPE Parent/Caretaker Relative	●			
FCC (Families and Children)				
Former Foster Care Children	●			
HPE Former Foster Care	●			
Youth Aging Out of Foster Care (Chaffee Option)	●			
FCC (OCS Foster Care, IV-E OCS/OYD and OCS/OYD (XIX))				
CHAMP — Child	●			
CHAMP — Pregnant Woman (to 133% of FPIG)*	●			
IV-E Foster Care	●			

COA/Eligibility Category Name	Mandatory	Voluntary Opt-In	SBH & NEMT	Excluded
LaCHIP Phase 1	●			
OYD — V Category Child	●			
Regular Foster Care Child	●			
YAP (Young Adult Program)	●			
YAP/OYD	●			
BCC (Families and Children)				
Breast and/or Cervical Cancer	●			
HPE B/CC	●			
LAP (Families and Children)				
LaCHIP Affordable Plan	●			
HCBS Waiver				
ADHC		●	●	
Children's Waiver — Louisiana CC		●	●	
Community Choice Waiver		●	●	
NOW — SSI		●	●	
NOW Fund		●	●	
NOW — Non-SSI		●	●	
ROW — Non-SSI		●	●	
ROW — SSI		●	●	
SSI Children's Waiver — Louisiana CC		●	●	
SSI Community Choice Waiver		●	●	
SSI NOW Fund		●	●	
SSI/ADHC		●	●	
Supports Waiver		●	●	
Supports Waiver SSI		●	●	
CCM				
CCM*		●	●	
SBH — Other				
LTC			●	
LTC MNP/Transfer of Resources			●	
LTC Payment Denial/Late Admission Packet			●	

COA/Eligibility Category Name	Mandatory	Voluntary Opt-In	SBH & NEMT	Excluded
LTC Spend-Down MNP			●	
Private ICF/DD			●	
Public ICF/DD			●	
SSI Payment Denial/Late Admission			●	
SSI Transfer of Resource(s)/LTC			●	
SSI/LTC			●	
SSI/Private ICF/DD			●	
SSI/Public ICF/DD			●	
Transfer of Resource(s)/LTC			●	
Excess Home Equity SSI Under SIL			●	
Excess Home Equity SSI Under SIL-Reg LTC			●	
QDWI			●	
SBH — Dual Eligibles				
Dual Eligibles**			●	
Excluded				
CHAMP Presumptive Eligibility				●
DD Waiver				●
Denied SSI Prior Period				●
Disabled Adults Authorized for Special Hurricane Katrina Assistance				●
EDA Waiver				●
Family Planning — New Eligibility/Non-LaMOMS				●
Family Planning — Previous LaMOMS Eligibility				●
Family Planning/Take Charge Transition				●
Forced Benefits				●
GNOCHC Adult Parent				●
GNOCHC Childless Adult				●
HPE Family Planning				●
HPE Take Charge Plus				●
LBHP — Adult 1915(i)				●

COA/Eligibility Category Name	Mandatory	Voluntary Opt-In	SBH & NEMT	Excluded
LTC Co-Insurance				●
LTC Spend-Down MNP (Income > Facility Fee)				●
OCS Child Under Age 18 (State Funded)				●
OYD (Office of Youth Development)				●
PACE SSI				●
PACE SSI-related				●
PCA Waiver				●
Private ICF/DD Spend-Down MNP				●
Private ICF/DD Spend-Down MNP/Income Over Facility Fee				●
Public ICF/DD Spend-Down MNP				●
QI-1 (Qualified Individual — 1)				●
QI-2 (Qualified Individual — 2) (Program terminated 12/31/2002)				●
QMB				●
SLMB				●
Spend-Down MNP				●
Spend-Down Denial of Payment/Late Packet				●
SSI Conversion/Refugee Cash Assistance (RCA)/LIFC Basic				●
SSI DD Waiver				●
SSI PCA Waiver				●
SSI/EDA Waiver				●
State Retirees				●
Terminated SSI Prior Period				●

* Individuals under the age of 21 otherwise eligible for Medicaid who are listed on the OCDD's Request for Services Registry who are CCM.

** Dual eligibles included in Bayou Health for SBH and NEMT services must be in a mandatory, voluntary opt-in or SBH and NEMT population listed above in Attachment C. They must also be eligible for Medicare, which is identified based on the Medicare Duals Eligibility table supplied by DHH's fiscal agent. Dually eligible individuals are represented by Dual Status code 02, 04, and 08.

Appendix C: Bayou Health Covered Services

Table 1: PH Program

Medicaid COS	Units of Measurement	Completion COS
Inpatient Hospital	Days	Inpatient
Outpatient Hospital	Claims	Outpatient
Primary Care Physician	Visits	Physician
Specialty Care Physician	Visits	Physician
Federally Qualified Health Center (FQHC)/Rural Health Clinic (RHC)	Visits	Physician
EPSDT	Visits	Physician
Certified Nurse Practitioners/Clinical Nurse	Claims	Physician
Lab/Radiology	Units	Other
Home Health	Visits	Other
Emergency Transportation	Units	Transportation
NEMT	Units	Transportation
Rehabilitation Services (Occupational Therapy, Physical Therapy, Speech Therapy)	Visits	Other
DME	Units	Other
Clinic	Claims	Physician
Family Planning	Visits	Physician
Other	Units	Other
Prescribed Drugs	Scripts	Prescribed Drugs
Emergency Room	Visits	Outpatient
Basic Behavioral Health	Claims	Physician
Hospice*	Admits	Inpatient
Personal Care Services (Age 0–20)*	Units	Physician
Inpatient Services — Mental Health*	Days	Inpatient
Emergency Room — Mental Health*	Visits	Other
Professional/Other — Mental Health*	Units	Other

* Services that were excluded during the base periods from the Bayou Health program and now are included.

Table 2: SBH Program

Medicaid COS	Units of Measurement	Completion COS
Inpatient Services — Mental Health*	Days	SBH Inpatient
Emergency Room — Mental Health*	Visits	SBH Other
Professional/Other — Mental Health*	Units	SBH Other
NEMT	Units	Transportation

* Services that were excluded during the base periods from the Bayou Health program and now are included.

Appendix D: PMPM Impact of Behavioral Health MSP

COA Description	CY 2014 MMs	Blended PMPM	MSP PMPM	MSP Adjustment
SBH — Chisholm Class Members	70,181	\$89.58	-\$4.19	-4.70%
SBH — Dual Eligible	1,117,726	\$15.38	-\$0.36	-2.30%
SBH — HCBS Waiver	77,066	\$53.34	-\$3.23	-6.10%
SBH — Other	36,202	\$141.59	-\$7.64	-5.40%
Total SBH Only COAs	1,301,175	\$25.14	-\$0.94	-3.70%

Appendix E: Trends by utilization, unit cost and PMPM

Table 1: PH Covered Services

COS Group	SSI/BCC/HCBS					
	Unit Cost		Utilization		PMPM	
	Low	High	Low	High	Low	High
Inpatient					0.00%	1.00%
Outpatient	7.00%	8.00%	1.00%	2.00%	8.07%	10.16%
Physician	1.58%	2.58%	0.47%	1.47%	2.06%	4.09%
Transportation					8.20%	11.18%
Pharmacy					8.83%	9.83%
Other	3.85%	5.56%	9.57%	10.56%	13.78%	16.71%
Maternity Kickpayment						

COS Group	F&C/FCC/LAP/CCM					
	Unit Cost		Utilization		PMPM	
	Low	High	Low	High	Low	High
Inpatient					0.00%	1.00%
Outpatient	4.00%	6.00%	0.00%	1.00%	4.00%	7.06%
Physician	1.26%	2.84%	0.00%	1.00%	1.26%	3.87%
Transportation					9.71%	12.88%
Pharmacy					4.00%	5.00%
Other	1.24%	2.56%	4.60%	6.60%	5.90%	9.33%
Maternity Kickpayment						

COS Group	Maternity Kickpayment					
	Unit Cost		Utilization		PMPM	
	Low	High	Low	High	Low	High
Inpatient						
Outpatient						
Physician						
Transportation						
Pharmacy						
Other						
Maternity Kickpayment	0.00%	1.00%	0.00%	0.00%	0.00%	1.00%

Appendix E: Trends by utilization, unit cost and PMPM

Table 2: SBH Trends

Mapped_COA_Desc	Rate_Cell_Code	PMPM Trend			
		SBH Services		NEMT Services	
		Low	High	Low	High
SSI	Newborn, 0-2 Months	29.00%	34.00%		
SSI	Newborn, 3-11 Months	29.00%	34.00%		
SSI	Child, 1-20 Years	29.00%	34.00%		
SSI	Adult, 21+ Years	4.00%	6.00%		
Family and Children	Newborn, 0-2 Months	29.00%	34.00%		
Family and Children	Newborn, 3-11 Months	29.00%	34.00%		
Family and Children	Child, 1-20 Years	29.00%	34.00%		
Family and Children	Adult, 21+ Years	4.00%	6.00%		
Foster Care Children	Foster Care, All Ages Male & Female	29.00%	34.00%		
Breast and Cervical Cancer	BCC, All Ages Female	4.00%	6.00%		
LaCHIP Affordable Plan	All Ages	29.00%	34.00%		
HCBS Waiver	20 & Under, Male and Female	29.00%	34.00%		
HCBS Waiver	21+ Years, Male and Female	4.00%	6.00%		
Chisholm Class Members	Chisholm, All Ages Male & Female	29.00%	34.00%		
Chisholm Class Members	Chisholm, All Ages Male & Female	29.00%	34.00%	10.00%	12.00%
Dual Eligible	Dual Eligible, All Ages	4.00%	6.00%	15.00%	17.00%
HCBS Waiver	20 & Under, Male and Female	29.00%	34.00%	10.00%	12.00%
HCBS Waiver	21+ Years, Male and Female	4.00%	6.00%	10.00%	12.00%
Other	Other, All Ages	4.00%	6.00%	10.00%	12.00%
Kickpayment	Kickpayment				

Appendix F: Managed Care Savings Assumptions

Table 1: Managed Care Savings Assumptions

COS Description	HCBS Waiver/CCM						Historically VOO					
	Utilization		Unit Cost		PMPM		Utilization		Unit Cost		PMPM	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
IP Hospital	-12.50%	-10.00%	1.00%	5.00%	-11.63%	-5.50%	-20.00%	-15.00%	Varies by COA, please see Table 2	3.00%	-19.20%	-12.45%
OP Hospital	-10.00%	-7.50%	1.00%	3.00%	-9.10%	-4.72%	5.00%	10.00%	5.00%	7.00%	-10.25%	17.70%
PCP	2.50%	5.00%	5.00%	7.00%	-12.50%	-8.20%	-25.00%	-20.00%	0.00%	2.00%	-25.00%	-18.40%
Specialty Care Physician	-12.50%	-10.00%	0.00%	2.00%	0.00%	4.55%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
FQHC/Rural Health Clinic	0.00%	2.50%	0.00%	7.00%	5.00%	7.00%	5.00%	10.00%	5.00%	7.00%	10.25%	17.70%
EPSTD	0.00%	0.00%	5.00%	7.00%	7.62%	12.35%	-20.00%	-10.00%	0.00%	2.00%	-20.00%	-8.20%
CNP/CN	2.50%	5.00%	0.00%	2.00%	-10.00%	0.00%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Lab/Radiology	-10.00%	-5.00%	0.00%	2.00%	0.00%	2.00%	-10.00%	-5.00%	0.00%	2.00%	-10.00%	-3.10%
Home Health	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Emergency Transportation	-5.00%	-2.50%	0.00%	2.00%	-5.00%	-0.55%	-10.00%	-5.00%	0.00%	2.00%	-10.00%	-3.10%
NEMT ¹	0.00%	2.50%	0.00%	2.00%	0.00%	0.00%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Rehabilitation Services (OT, PT, ST)	-5.00%	-2.50%	0.00%	2.00%	-5.00%	-0.55%	-10.00%	-5.00%	0.00%	2.00%	-10.00%	-3.10%
Durable Medical Equipment (DME) ¹	-10.00%	-7.50%	0.00%	2.00%	-10.00%	-5.65%	-20.00%	-15.00%	0.00%	2.00%	-20.00%	-13.30%
Clinic	-10.00%	-7.50%	0.00%	2.00%	-10.00%	-5.65%	-20.00%	-15.00%	0.00%	2.00%	-20.00%	-13.30%
Family Planning	0.00%	2.50%	0.00%	2.00%	0.00%	4.55%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Other	0.00%	2.50%	0.00%	2.00%	0.00%	4.55%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Prescribed Drugs	-10.39%	-10.39%	0.00%	0.00%	-10.39%	-10.39%	-25.00%	-20.00%	Varies by COA, please see Table 3	7.00%	-21.25%	-14.40%
Emergency Room	-12.50%	-10.00%	5.00%	7.00%	-8.12%	-3.70%	0.00%	5.00%	5.00%	2.00%	0.00%	7.10%
Basic Behavioral Health	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Hospice	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	0.00%	2.00%	0.00%	7.10%
Personal Care Services ²	0.00%	0.00%	0.00%	0.00%	-10.00%	-5.00%	0.00%	5.00%	Varies by COA, please see Table 4	0.00%	-10.00%	-5.00%

Table 2: Inpatient Managed Care Savings Assumptions by COA

1 - IP Hospital	Utilization		Unit Cost		PMPM	
	Low	High	Low	High	Low	High
SSI/FCC/BCC/LaCHIP	-25.00%	-20.00%	1.00%	5.00%	-24.28%	-16.00%
Family and Children	-30.00%	-25.00%	1.00%	5.00%	-29.30%	-21.25%

Table 3: Prescribed Drugs Managed Care Savings Assumptions by COA

2 - Prescribed Drugs	Utilization		Unit Cost		PMPM	
	Low	High	Low	High	Low	High
SSI	-20.78%	-20.78%	-5.57%	-5.57%	-25.19%	-25.19%
Family and Children	-23.11%	-23.11%	-2.65%	-2.65%	-25.15%	-25.15%
Foster Care Children	-18.50%	-18.50%	-1.53%	-1.53%	-19.75%	-19.75%
Breast and Cervical Cancer	-12.45%	-12.45%	-8.71%	-8.71%	-20.07%	-20.07%
LaCHIP Affordable Plan	-20.78%	-20.78%	-5.57%	-5.57%	-25.19%	-25.19%

Table 4: Hospice Managed Care Savings Assumptions by COA

3 - Hospice	Utilization		Unit Cost		PMPM	
	Low	High	Low	High	Low	High
SSI/FCC/BCC/LaCHIP	-25.00%	-20.00%	1.00%	5.00%	-24.25%	-16.00%
Family and Children	-30.00%	-25.00%	1.00%	5.00%	-29.30%	-21.25%

Notes

1 – Managed care savings adjustments were applied to NEMT and DME services incurred by the Legacy Shared Savings program populations, as these services were not historically covered under the Shared Savings program.

2 – Managed care savings adjustments were applied to Personal Care Services incurred by the Legacy Shared Savings and Prepaid programs populations, as these services were not historically covered under the Shared Savings program.

Appendix G: Retro-Active Eligibility Adjustment Factors Development

Table 1: Monthly Duration Calculation Example – SSI Population

Unique Recipient Count		First Month of Enrollment in Bayou Health in 2014												Overall CY14	
Retroactive Eligibility Months		January	February	March	April	May	June	July	August	September	October	November	December		
1		29	120	81	106	96	118	95	112	105	139	137	82	1,220	
2		14	67	78	68	59	95	75	79	79	120	81	57	872	
3		13	46	52	42	47	56	54	67	66	57	79	41	620	
4		10	63	48	47	51	75	67	78	72	90	104	45	750	
5		10	67	54	67	59	68	67	122	91	86	87	68	846	
6		7	55	44	50	54	71	63	106	175	92	90	43	850	
7		11	30	41	74	49	51	36	75	78	94	76	43	658	
8		3	26	18	39	43	39	25	46	62	65	100	26	492	
9		6	13	7	14	19	34	28	82	69	39	54	32	397	
10		1	8	7	14	21	32	14	57	69	64	33	30	350	
11		1	37	38	50	47	56	42	59	69	55	45	42	541	
12		18	7	15	11	20	17	11	25	9	11	20	7	171	
Grand Total: [A]		123	539	483	582	565	712	577	908	944	912	906	516	7,767	
Retro Member Months: [B]		620	2,415	2,281	2,969	3,003	3,657	2,826	5,179	5,474	4,798	4,810	2,740	40,772	
Avg. Retro Duration: [C] = [B] / [A]		5.0	4.5	4.7	5.1	5.3	5.1	4.9	5.7	5.8	5.3	5.3	5.3	5.2	

Appendix G: Retro-Active Eligibility Adjustment Factors Development

Table 2a: Retroactive Member Months by COA

COA Description	First Month of Enrollment in Bayou Health in 2014												Overall CY14
	January	February	March	April	May	June	July	August	September	October	November	December	
SSI	620	2,415	2,281	2,969	3,003	3,657	2,826	5,179	5,474	4,798	4,810	2,740	40,772
F&C	3,812	9,554	6,718	12,481	17,455	14,633	16,381	20,503	17,535	36,843	16,443	8,809	181,167
FCC	3	25	15	64	44	52	57	92	83	102	37	39	613
BCC	3	68	40	46	24	36	54	27	51	39	69	38	495
LAP		4	2	1	2	3	3	11	16	12	11	1	66
HCBS								1	2	8	8	9	20
CCM		4		8		6	15	6	4	10	4	5	62
Grand Total	4,438	12,070	9,056	15,569	20,528	18,387	19,336	25,819	23,165	41,812	21,374	11,641	223,195

Table 2b: Unique Recipient Count by COA

COA Description	First Month of Enrollment in Bayou Health in 2014												Overall CY14
	January	February	March	April	May	June	July	August	September	October	November	December	
SSI	123	539	483	582	565	712	577	908	944	912	906	516	7,767
F&C	1,899	4,325	2,660	4,354	5,907	5,731	5,573	6,912	6,138	10,756	7,042	3,954	65,251
FCC	2	13	12	32	19	25	25	46	31	53	22	26	306
BCC	1	25	13	21	10	13	21	15	18	17	27	14	195
LAP		2	2	1	2	3	3	6	9	7	7	1	43
HCBS								1	1	4	1	2	8
CCM		2		2		2	3	4	2	4	1	1	21
Grand Total	2,025	4,906	3,170	4,992	6,503	6,486	6,202	7,892	7,143	11,753	8,005	4,514	73,591

Table 2c: Average Duration by COA ([2a] / [2b])

COA Description	First Month of Enrollment in Bayou Health in 2014												Overall CY14
	January	February	March	April	May	June	July	August	September	October	November	December	
SSI	5.0	4.5	4.7	5.1	5.3	5.1	4.9	5.7	5.8	5.3	5.3	5.3	5.3
F&C	2.0	2.2	2.5	2.9	3.0	2.6	2.9	3.0	2.9	3.4	2.3	2.2	2.8
FCC	1.5	1.9	1.3	2.0	2.3	2.1	2.3	2.0	2.7	1.9	1.7	1.5	2.0
BCC	3.0	2.7	3.1	2.2	2.4	2.8	2.6	1.8	2.8	2.3	2.6	2.7	2.5
LAP		2.0	1.0	1.0	1.0	1.0	1.0	1.8	1.8	1.7	1.6	1.0	1.5
HCBS								1.0	2.0	2.0	1.6	4.5	2.5
CCM		2.0		4.0		3.0	5.0	1.5	2.0	2.5	4.0	5.0	3.0
Grand Total	2.2	2.5	2.9	3.1	3.2	2.8	3.1	3.3	3.2	3.6	2.7	2.6	3.0

Appendix G: Retro-Active Eligibility Adjustment Factors Development

Table 3: Retroactive Eligibility Adjustment Factors Development

COA Description	Rate Cell Description	A Base Data from Data Book		B CY14 PMPMs		C Retroactive Eligibility -- CY14 Experience		D Average Duration		E PMPMs		F Adjustment Factors Development		G PMPMs		H Observed Retro Adj. Factor		I Final Retro Adj. Factor	
		CY14 MMs		CY14 PMPMs		Recipient Count		Average Duration		PMPMs		MMs		PMPMs		Observed Retro Adj. Factor		Final Retro Adj. Factor	
SSI	Newborn, 0-2 Months	1,791	\$ 17,484.87									1,791	\$ 17,484.87					1,000	
SSI	Newborn, 3-11 Months	7,075	\$ 4,329.71									7,075	\$ 4,329.71					1,000	
SSI	Child, 1-20 Years	472,130	\$ 462.78			886		5.3		188.66		476,782	\$ 460.11					0.994	1,000
SSI	Adult, 21+ Years	910,199	\$ 812.76			6,881		5.3		926.01		946,324	\$ 817.09					1.005	1,005
F&C	Newborn, 0-2 Months	173,111	\$ 1,199.02									173,111	\$ 1,199.02					1,000	
F&C	Newborn, 3-11 Months	391,571	\$ 204.58									391,571	\$ 204.58					1,000	
F&C	Child, 1-20 Years	7,757,419	\$ 112.98			35,649		2.8		46.53		7,856,523	\$ 112.14					0.993	1,000
F&C	Adult, 21+ Years	1,216,522	\$ 242.49			29,602		2.8		209.87		1,298,816	\$ 240.42					0.991	1,000
FCC	FCC, All Ages Male & Female	126,475	\$ 328.64			306		2.0		162.50		127,087	\$ 327.84					0.998	1,000
BCC	BCC, All Ages Female	13,070	\$ 1,337.82			195		2.5		2,292.67		13,565	\$ 1,372.68					1.026	1,026
LAP	All Ages	40,170	\$ 153.95			43		1.5		498.98		40,236	\$ 154.51					1.004	1,004
HCBS Waiver	20 & Under, Male and Female	25,781	\$ 1,368.09			4		2.5		1,109.00		25,791	\$ 1,367.99					1,000	1,000
HCBS Waiver	21+ Years, Male and Female	51,285	\$ 795.34			4		2.5		1,002.18		51,295	\$ 795.38					1,000	1,000
CCM	CCM, All Ages Male & Female	69,175	\$ 916.35			21		3.0		1,149.95		69,237	\$ 916.56					1,000	1,000

Notes:

The retroactive eligibility adjustment does not apply to the newborn rate cells as retroactive experience is included in the base data for these rate cells.

$$F = A + (C * D)$$

$$G = ((A * B) + (C * D * E)) / F$$

$$H = G / B$$

$$I = \text{MAX}(H, 1)$$

Appendix H: Physical Health Projected Claims PMPM Development

Table 1: PH Historical Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	A	B	C	D	E	F	G	H	I	J	K	L
			CY2013 MMs	CY2013 PMPM	Recoupment Adj (F&A)	Fee Sched Adj	ACT 312 Adj	CY2013 PMPM After Adj	CY2014 MMs	CY2014 PMPM	Recoupment Adj (F&A)	Fee Sched Adj	ACT 312 Adj	CY2014 PMPM After Adj
Gulf	SSI	Newborn, 0-2 Months	604	\$ 23,417.19	-0.18%	-5.20%	0.02%	\$ 22,163.84	499	\$ 22,257.30	-0.13%	-4.21%		\$ 21,291.82
Gulf	SSI	Newborn, 3-11 Months	2,059	\$ 6,381.27	-0.15%	-3.46%	0.21%	\$ 6,164.01	2,016	\$ 5,604.10	-0.14%	-3.71%		\$ 5,292.40
Gulf	SSI	Child, 1-20 Years	146,014	\$ 326.79	-0.10%	1.04%	1.10%	\$ 333.50	140,382	\$ 351.04	-0.12%	-2.89%		\$ 340.48
Gulf	SSI	Adult, 21+ Years	285,997	\$ 712.04	-0.08%	1.23%	1.08%	\$ 728.01	268,331	\$ 751.84	-0.09%	-2.65%		\$ 731.31
Gulf	Family and Children	Newborn, 0-2 Months	47,078	\$ 1,194.92	-0.16%	-4.56%	0.04%	\$ 1,139.10	48,751	\$ 1,114.81	-0.17%	-6.13%		\$ 1,044.74
Gulf	Family and Children	Newborn, 3-11 Months	105,588	\$ 197.18	-0.15%	-5.72%	0.51%	\$ 186.57	108,391	\$ 212.61	-0.12%	-8.17%		\$ 195.01
Gulf	Family and Children	Child, 1-20 Years	2,076,182	\$ 87.75	-0.13%	-2.48%	0.93%	\$ 86.26	2,120,899	\$ 90.14	-0.10%	-5.77%		\$ 84.85
Gulf	Family and Children	Adult, 21+ Years	364,014	\$ 211.15	-0.10%	1.17%	0.92%	\$ 215.36	388,455	\$ 211.94	-0.10%	-2.15%		\$ 207.18
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	21,885	\$ 167.24	-0.11%	0.41%	1.33%	\$ 169.97	23,352	\$ 169.59	-0.10%	-4.02%		\$ 162.61
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	3,850	\$ 1,356.05	-0.10%	-0.83%	0.39%	\$ 1,348.66	3,937	\$ 1,245.33	-0.12%	-6.35%		\$ 1,164.84
Gulf	LaCHIP Affordable Plan	All Ages	10,504	\$ 121.33	-0.13%	-3.37%	0.97%	\$ 118.22	10,244	\$ 138.40	-0.12%	-4.83%		\$ 131.56
Gulf	HCBS Waiver	20 & Under, Male and Female	7,958	\$ 901.22	-0.12%	5.82%	0.80%	\$ 958.33	7,178	\$ 907.41	-0.17%	-0.86%		\$ 905.30
Gulf	Chisholm Class Members	21+ Years, Male and Female	13,356	\$ 694.74	-0.14%	9.16%	1.47%	\$ 768.50	13,626	\$ 702.50	-0.15%	-0.28%		\$ 699.49
Gulf	SBH - Chisholm Class Members	Chisholm, All Ages Male & Female	16,111	\$ 664.94	-0.15%	5.09%	0.85%	\$ 703.65	16,983	\$ 790.86	-0.21%	-0.07%		\$ 788.65
Gulf	SBH - Dual Eligible	SBH - Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Gulf	SBH - Other	SBH - Other, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Gulf	Maternity Kidpayment	Maternity Kidpayment, All Ages	10,575	\$ 5,740.32	-0.16%	-1.43%	0.00%	\$ 5,649.47	10,549	\$ 5,615.55	-0.15%	-0.00%		\$ 5,504.09
Capital	SSI	Newborn, 0-2 Months	438	\$ 17,483.68	-0.22%	3.60%	0.02%	\$ 18,077.29	384	\$ 17,219.17	-0.20%	-10.3%		\$ 17,007.68
Capital	SSI	Newborn, 3-11 Months	1,724	\$ 6,075.63	-0.15%	5.06%	0.22%	\$ 6,387.60	1,488	\$ 6,060.12	-0.22%	-0.52%		\$ 6,014.88
Capital	SSI	Child, 1-20 Years	107,730	\$ 369.62	-0.10%	3.95%	1.10%	\$ 388.07	104,301	\$ 395.72	-0.10%	-0.49%		\$ 393.37
Capital	SSI	Adult, 21+ Years	211,050	\$ 780.81	-0.07%	5.22%	1.16%	\$ 830.53	195,553	\$ 836.77	-0.08%	0.03%		\$ 836.41
Capital	Family and Children	Newborn, 0-2 Months	42,322	\$ 1,182.54	-0.20%	0.75%	0.05%	\$ 1,189.71	42,461	\$ 1,197.34	-0.21%	-3.08%		\$ 1,158.04
Capital	Family and Children	Newborn, 3-11 Months	95,526	\$ 203.22	-0.19%	-3.25%	0.56%	\$ 197.33	96,528	\$ 197.03	-0.13%	-6.76%		\$ 183.48
Capital	Family and Children	Child, 1-20 Years	1,865,622	\$ 94.50	-0.13%	0.24%	1.07%	\$ 95.61	1,914,036	\$ 98.37	-0.10%	-3.70%		\$ 94.63
Capital	Family and Children	Adult, 21+ Years	261,190	\$ 244.60	-0.10%	4.87%	1.00%	\$ 258.83	288,647	\$ 245.04	-0.10%	0.96%		\$ 247.14
Capital	Foster Care Children	Foster Care, All Ages Male & Female	31,354	\$ 171.34	-0.10%	3.83%	1.50%	\$ 180.39	33,498	\$ 173.00	-0.08%	-2.52%		\$ 168.51
Capital	Breast and Cervical Cancer	BCC, All Ages Female	4,073	\$ 1,016.80	-0.10%	7.42%	0.43%	\$ 1,095.87	3,825	\$ 1,156.30	-0.12%	1.70%		\$ 1,174.62
Capital	LaCHIP Affordable Plan	All Ages	11,368	\$ 119.18	-0.13%	0.82%	1.41%	\$ 121.68	10,876	\$ 180.15	-0.15%	-2.56%		\$ 175.28
Capital	HCBS Waiver	20 & Under, Male and Female	8,312	\$ 1,176.09	-0.10%	6.95%	0.66%	\$ 1,264.85	7,499	\$ 1,250.33	-0.13%	0.99%		\$ 1,261.13
Capital	Chisholm Class Members	21+ Years, Male and Female	12,207	\$ 674.30	-0.14%	14.02%	1.44%	\$ 778.83	12,294	\$ 715.49	-0.16%	1.55%		\$ 725.45
Capital	SBH - Chisholm Class Members	Chisholm, All Ages Male & Female	15,980	\$ 842.50	-0.13%	5.54%	0.83%	\$ 895.38	17,068	\$ 944.59	-0.18%	0.73%		\$ 949.81
Capital	SBH - Dual Eligible	SBH - Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Capital	SBH - HCBS Waiver	SBH - Dual Eligible, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Capital	SBH - Other	SBH - Other, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
Capital	Maternity Kidpayment	Maternity Kidpayment, All Ages	9,368	\$ 4,979.05	-0.18%	-0.02%	0.00%	\$ 4,968.98	9,280	\$ 4,861.92	-0.18%	-0.18%		\$ 4,844.19

Notes:

$$F = B * (1 + C) * (1 + D) * (1 + E)$$

$$L = H * (1 + I) * (1 + J)$$

$$M^1 = 40\% * CY13 + 60\% * CY14$$

$$W = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + Q)^{.25(12)} * S)) + U * V$$

$$X = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + R)^{.25(12)} * T)) + U * V$$

M¹ is calculated separately for PP, SS and FFS data types

Appendix H: Physical Health Projected Claims PMPM Development

Table 1: PH Historical Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	A	B	C	D	E	F	G	H	I	J	K	L
			CY2013 MMs	CY2013 PMPM	Recoupment Adj (F&A)	Fee Sched Adj	ACT 312 Adj	CY2013 PMPM After Adj	CY2014 MMs	CY2014 PMPM	Recoupment Adj (F&A)	Fee Sched Adj	ACT 312 Adj	CY2014 PMPM After Adj
South Central	SSI	Newborn, 0-2 Months	504	\$ 13,205.19	-0.16%	1.05%	0.03%	\$ 13,327.83	466	\$ 16,560.58	-0.23%	-1.17%		\$ 16,327.93
South Central	SSI	Newborn, 3-11 Months	1,951	\$ 4,468.01	-0.13%	2.84%	0.42%	\$ 4,607.99	1,871	\$ 3,189.39	-0.16%	-0.34%		\$ 3,173.57
South Central	SSI	Child, 1-20 Years	109,883	\$ 370.39	-0.08%	2.87%	1.32%	\$ 385.72	108,433	\$ 365.62	-0.07%	-1.48%		\$ 359.96
South Central	SSI	Adult, 21+ Years	249,545	\$ 697.45	-0.07%	2.52%	1.12%	\$ 722.48	237,953	\$ 706.66	-0.08%	-1.29%		\$ 697.02
South Central	Family and Children	Newborn, 0-2 Months	46,805	\$ 1,274.33	-0.16%	-0.92%	0.05%	\$ 1,261.78	46,634	\$ 1,273.70	-0.17%	-2.69%		\$ 1,237.35
South Central	Family and Children	Newborn, 3-11 Months	105,452	\$ 213.23	-0.15%	-3.45%	0.59%	\$ 206.77	104,965	\$ 203.98	-0.12%	-7.08%		\$ 189.37
South Central	Family and Children	Child, 1-20 Years	2,041,990	\$ 99.89	-0.11%	-0.19%	1.12%	\$ 100.71	2,083,138	\$ 99.99	-0.08%	-4.45%		\$ 95.46
South Central	Family and Children	Adult, 21+ Years	271,825	\$ 230.41	-0.10%	2.94%	0.91%	\$ 239.09	299,789	\$ 224.94	-0.10%	-0.62%		\$ 223.33
South Central	Foster Care Children	Foster Care, All Ages Male & Female	39,937	\$ 183.55	-0.10%	3.24%	1.44%	\$ 192.04	44,797	\$ 175.30	-0.09%	-2.01%		\$ 171.62
South Central	Breast and Cervical Cancer	BCC, All Ages Female	2,936	\$ 1,674.64	-0.08%	1.24%	0.76%	\$ 1,665.30	2,747	\$ 1,364.04	-0.12%	-3.00%		\$ 1,321.55
South Central	LaCHIP Affordable Plan	All Ages	13,198	\$ 106.06	-0.14%	-2.40%	1.13%	\$ 104.53	12,678	\$ 109.96	-0.09%	-3.41%		\$ 106.13
South Central	HCBS Waiver	20+ Under, Male and Female	7,448	\$ 1,571.08	-0.08%	3.88%	0.67%	\$ 1,641.71	6,786	\$ 1,615.45	-0.11%	-0.12%		\$ 1,611.85
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	14,510	\$ 805.69	-0.14%	8.37%	1.39%	\$ 884.09	14,109	\$ 802.20	-0.15%	0.16%		\$ 802.29
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	16,884	\$ 902.09	-0.12%	3.74%	0.88%	\$ 942.92	18,278	\$ 855.91	-0.15%	0.45%		\$ 858.47
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
South Central	SBH - HCBS Waiver	SBH - 20 Under, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
South Central	SBH - Other	SBH - Other, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
South Central	Maternity Kidpayment	Maternity Kidpayment, All Ages	10,301	\$ 4,728.64	-0.16%	6.53%	0.00%	\$ 5,027.25	10,188	\$ 4,881.71	-0.15%	4.46%		\$ 5,091.47
North	SSI	Newborn, 0-2 Months	476	\$ 16,309.91	-0.21%	-2.36%	0.03%	\$ 15,886.36	442	\$ 13,302.32	-0.21%	-4.02%		\$ 12,740.78
North	SSI	Newborn, 3-11 Months	1,874	\$ 2,590.80	-0.12%	0.31%	0.51%	\$ 2,608.91	1,700	\$ 2,669.59	-0.15%	-3.13%		\$ 2,582.12
North	SSI	Child, 1-20 Years	120,806	\$ 327.07	-0.07%	1.10%	1.13%	\$ 334.17	119,014	\$ 341.54	-0.08%	-2.64%		\$ 332.25
North	SSI	Adult, 21+ Years	212,523	\$ 668.11	-0.08%	0.49%	1.03%	\$ 677.76	208,362	\$ 675.79	-0.09%	-3.27%		\$ 653.08
North	Family and Children	Newborn, 0-2 Months	35,826	\$ 1,311.96	-0.16%	-2.79%	0.04%	\$ 1,273.85	35,265	\$ 1,216.25	-0.16%	-4.15%		\$ 1,163.87
North	Family and Children	Newborn, 3-11 Months	81,279	\$ 209.64	-0.13%	-2.55%	0.54%	\$ 205.15	81,697	\$ 202.47	-0.11%	-5.77%		\$ 190.58
North	Family and Children	Child, 1-20 Years	1,599,053	\$ 85.52	-0.11%	-0.42%	0.93%	\$ 85.98	1,639,346	\$ 86.94	-0.09%	-3.79%		\$ 83.57
North	Family and Children	Adult, 21+ Years	206,386	\$ 216.53	-0.11%	1.23%	0.82%	\$ 220.73	239,631	\$ 214.29	-0.11%	-1.41%		\$ 211.03
North	Foster Care Children	Foster Care, All Ages Male & Female	22,040	\$ 190.21	-0.08%	5.40%	1.55%	\$ 203.42	24,828	\$ 177.29	-0.07%	-1.23%		\$ 174.98
North	Breast and Cervical Cancer	BCC, All Ages Female	2,439	\$ 1,663.11	-0.09%	-8.43%	1.03%	\$ 1,537.25	2,561	\$ 1,667.68	-0.12%	-12.61%		\$ 1,465.62
North	LaCHIP Affordable Plan	All Ages	7,217	\$ 131.24	-0.11%	-1.41%	0.96%	\$ 130.49	6,372	\$ 145.46	-0.11%	-2.06%		\$ 142.30
North	HCBS Waiver	20+ Under, Male and Female	4,875	\$ 1,509.52	-0.10%	2.67%	0.62%	\$ 1,557.91	4,318	\$ 1,749.16	-0.13%	-0.16%		\$ 1,744.01
North	HCBS Waiver	21+ Years, Male and Female	11,273	\$ 784.80	-0.15%	6.44%	1.40%	\$ 845.82	11,256	\$ 793.49	-0.16%	0.00%		\$ 792.23
North	Chisholm Class Members	Chisholm, All Ages Male & Female	16,974	\$ 670.56	-0.12%	2.83%	0.69%	\$ 693.43	16,846	\$ 717.70	-0.16%	-0.03%		\$ 716.32
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
North	SBH - HCBS Waiver	SBH - 20 Under, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
North	SBH - Other	SBH - Other, All Ages	-	-	0.00%	0.00%	0.00%	-	-	-	0.00%	0.00%		-
North	Maternity Kidpayment	Maternity Kidpayment, All Ages	8,011	\$ 5,043.54	-0.15%	-0.51%	0.00%	\$ 5,010.21	7,696	\$ 4,969.24	-0.15%	-1.63%		\$ 4,880.85

Notes:

$$F = B * (1 + C) * (1 + D) * (1 + E)$$

$$L = H * (1 + I) * (1 + J)$$

$$M^1 = 40\% * CY13 + 60\% * CY14$$

$$W = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + Q)^{.25(12)} * S)) + U * V$$

$$X = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + R)^{.25(12)} * T)) + U * V$$

M¹ is calculated separately for PP, SS and FFS data types

Appendix H: Physical Health Projected Claims PMPM Development

Table 2: PH Prospective Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	CY2013 PMPM After Historical Adj	CY2014 PMPM After Historical Adj	Blended PMPM	Rx Adj	Act 399 Adj	Retro Adj	Low Trend	High Trend	MC Savings Factor - Low	MC Savings Factor - High	Clinical & Rx Efficiencies	Outliers	Projected PMPM -- Low	Projected PMPM -- High
Gulf	SSI	Newborn, 0-2 Months	\$ 22,163.84	\$ 21,291.82	\$ 21,268.57	-0.01%	0.00%	0.00%	0.54%	1.74%	0.98	0.99	0.99	\$ 1,457.70	\$ 22,585.36	\$ 23,244.60
Gulf	SSI	Newborn, 3-11 Months	\$ 6,164.01	\$ 5,292.40	\$ 5,655.69	-0.12%	0.05%	0.00%	1.62%	2.81%	0.99	0.99	0.99	8.84	\$ 5,800.06	\$ 5,963.75
Gulf	SSI	Child, 1-20 Years	\$ 333.50	\$ 340.48	\$ 337.05	-0.52%	0.20%	0.00%	6.20%	7.73%	0.97	0.98	0.98	0.50	\$ 366.77	\$ 383.04
Gulf	SSI	Adult, 21+ Years	\$ 728.01	\$ 731.31	\$ 730.32	-0.34%	0.22%	0.53%	6.18%	7.63%	0.97	0.98	0.98	-	\$ 806.80	\$ 838.98
Gulf	Family and Children	Newborn, 0-2 Months	\$ 1,136.10	\$ 1,044.74	\$ 1,087.31	-0.02%	0.01%	0.00%	0.81%	2.32%	0.97	0.98	0.98	39.97	\$ 1,110.28	\$ 1,154.21
Gulf	Family and Children	Newborn, 3-11 Months	\$ 86.26	\$ 195.01	\$ 191.73	-0.28%	0.10%	0.00%	2.26%	4.36%	0.97	0.97	0.97	-	\$ 192.20	\$ 201.81
Gulf	Family and Children	Child, 1-20 Years	\$ 86.26	\$ 84.85	\$ 85.55	-0.49%	0.19%	0.00%	3.08%	5.15%	0.95	0.96	0.96	0.02	\$ 84.38	\$ 88.85
Gulf	Family and Children	Adult, 21+ Years	\$ 215.36	\$ 207.18	\$ 210.76	-0.38%	0.18%	0.00%	3.60%	5.73%	0.95	0.96	0.96	-	\$ 213.16	\$ 224.92
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	\$ 169.97	\$ 162.61	\$ 165.36	-0.74%	0.26%	0.00%	2.20%	4.04%	0.91	0.92	0.92	-	\$ 155.78	\$ 163.39
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,348.66	\$ 1,164.84	\$ 1,241.72	-0.13%	0.08%	0.261%	7.03%	8.88%	0.97	0.98	0.98	-	\$ 1,425.04	\$ 1,493.62
Gulf	LaCHIP Affordable Plan	All Ages	\$ 118.22	\$ 131.56	\$ 125.62	-0.62%	0.21%	0.37%	2.49%	4.51%	0.91	0.92	0.92	-	\$ 118.75	\$ 125.40
Gulf	HCBS Waiver	20 & Under, Male and Female	\$ 958.33	\$ 905.30	\$ 926.51	-0.57%	0.15%	0.00%	7.92%	10.13%	0.94	0.94	0.97	-	\$ 1,019.46	\$ 1,094.63
Gulf	HCBS Waiver	21+ Years Male and Female	\$ 768.50	\$ 699.49	\$ 727.09	-1.08%	0.23%	0.11%	5.65%	7.22%	0.90	0.93	0.93	-	\$ 731.96	\$ 775.17
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 703.65	\$ 788.65	\$ 754.65	-0.59%	0.15%	0.02%	2.75%	4.96%	0.93	0.96	0.96	-	\$ 738.55	\$ 797.45
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Gulf	SBH - Dual Eligible	SBH - Chisholm, All Ages Male & Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Gulf	SBH - Other	SBH - Other, All Ages	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Gulf	Maternity Kidpayment	Maternity Kidpayment, All Ages	\$ 5,649.47	\$ 5,504.09	\$ 5,587.00	0.00%	0.00%	0.00%	0.00%	1.00%	1.00	1.00	1.00	-	\$ 5,587.00	\$ 5,688.39
Capital	SSI	Newborn, 0-2 Months	\$ 18,077.29	\$ 17,007.68	\$ 17,456.69	-0.01%	0.00%	0.00%	0.50%	1.71%	0.96	0.98	0.98	\$ 1,457.70	\$ 18,442.71	\$ 19,088.27
Capital	SSI	Newborn, 3-11 Months	\$ 3,387.60	\$ 6,014.88	\$ 6,109.22	-0.12%	0.04%	0.00%	2.48%	3.82%	0.99	0.99	0.98	8.84	\$ 6,364.11	\$ 6,563.86
Capital	SSI	Child, 1-20 Years	\$ 388.07	\$ 393.37	\$ 392.35	-0.57%	0.20%	0.00%	7.02%	8.67%	0.97	0.98	0.98	0.50	\$ 433.71	\$ 454.49
Capital	SSI	Adult, 21+ Years	\$ 830.53	\$ 836.41	\$ 834.81	-0.36%	0.22%	0.53%	6.35%	7.81%	0.97	0.98	0.98	-	\$ 925.00	\$ 962.17
Capital	Family and Children	Newborn, 0-2 Months	\$ 1,189.71	\$ 1,158.04	\$ 1,173.61	-0.03%	0.01%	0.00%	0.56%	2.01%	0.97	0.98	0.98	39.97	\$ 1,191.75	\$ 1,236.68
Capital	Family and Children	Newborn, 3-11 Months	\$ 197.33	\$ 183.48	\$ 188.89	-0.33%	0.11%	0.00%	2.20%	4.34%	0.96	0.96	0.97	-	\$ 187.94	\$ 197.70
Capital	Family and Children	Child, 1-20 Years	\$ 95.61	\$ 94.63	\$ 95.24	-0.56%	0.21%	0.00%	3.06%	5.08%	0.94	0.95	0.95	0.02	\$ 93.05	\$ 98.02
Capital	Family and Children	Adult, 21+ Years	\$ 258.83	\$ 247.14	\$ 251.79	-0.40%	0.18%	0.00%	3.64%	5.76%	0.95	0.96	0.96	-	\$ 254.90	\$ 268.91
Capital	Foster Care Children	Foster Care, All Ages Male & Female	\$ 180.39	\$ 168.51	\$ 173.41	-0.85%	0.29%	0.00%	2.17%	3.99%	0.91	0.92	0.92	-	\$ 161.90	\$ 169.51
Capital	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,095.87	\$ 1,174.62	\$ 1,142.20	-0.15%	0.07%	0.261%	7.71%	9.62%	0.98	0.99	0.99	-	\$ 1,336.75	\$ 1,399.04
Capital	LaCHIP Affordable Plan	All Ages	\$ 121.68	\$ 175.28	\$ 154.66	-0.65%	0.22%	0.37%	2.14%	3.92%	0.91	0.92	0.92	-	\$ 145.11	\$ 152.37
Capital	HCBS Waiver	20 & Under, Male and Female	\$ 1,264.85	\$ 1,291.13	\$ 1,262.62	-0.47%	0.12%	0.00%	8.01%	10.29%	0.96	0.96	0.99	-	\$ 1,416.59	\$ 1,519.96
Capital	Chisholm Class Members	21+ Years Male and Female	\$ 778.83	\$ 725.45	\$ 746.81	-0.71%	0.26%	0.01%	5.62%	7.22%	0.91	0.93	0.93	-	\$ 753.30	\$ 799.79
Capital	SBH - Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 895.38	\$ 949.81	\$ 928.04	-0.58%	0.15%	0.02%	2.89%	5.13%	0.94	0.97	0.97	-	\$ 919.01	\$ 992.08
Capital	SBH - Dual Eligible	SBH - Chisholm, All Ages Male & Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Capital	SBH - Other	SBH - Other, All Ages	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	-	-
Capital	Maternity Kidpayment	Maternity Kidpayment, All Ages	\$ 4,968.98	\$ 4,844.19	\$ 4,901.44	0.00%	0.00%	0.00%	0.00%	1.00%	1.00	1.00	1.00	-	\$ 4,901.44	\$ 5,008.31

Notes:

$$F = B * (1 + C) * (1 + D) * (1 + E)$$

$$L = H * (1 + I) * (1 + J)$$

$$M^1 = 40\% * CY13 + 60\% * CY14$$

$$W = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + Q)^{.25(12)} * S)) + U * V$$

$$X = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + R)^{.25(12)} * T)) + U * V$$

M¹ is calculated separately for PP, SS and FFS data types

Appendix H: Physical Health Projected Claims PMPM Development

Table 2: PH Prospective Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	CY2013 PMPM After Historical Adj	CY2014 PMPM After Historical Adj	Blended PMPM	N	U	Rx Adj	Act 399 Adj	Retro Adj	Low Trend	High Trend	MC Savings Factor -- Low	MC Savings Factor -- High	Clinical & Rx Efficiencies	Outliers	Projected PMPM -- Low	Projected PMPM -- High
South Central	SSI	Newborn, 0-1 Months	\$ 13,327.83	\$ 16,327.93	\$ 15,061.56	-0.02%	0.00%	-0.02%	0.01%	0.00%	0.60%	1.83%	0.98	0.99	0.99	\$ 1,457.70	\$ 16,384.30	\$ 16,880.99
South Central	SSI	Newborn, 3-11 Months	\$ 4,607.99	\$ 3,173.57	\$ 3,688.13	-0.21%	0.08%	0.00%	0.00%	0.00%	0.82%	4.12%	0.98	0.99	0.99	8.84	\$ 3,856.44	\$ 3,856.44
South Central	SSI	Child, 1-20 Years	\$ 385.72	\$ 359.96	\$ 370.13	-0.63%	0.25%	0.00%	0.25%	0.00%	6.96%	8.49%	0.98	0.98	0.98	0.50	\$ 408.43	\$ 427.38
South Central	SSI	Adult, 21+ Years	\$ 722.48	\$ 697.02	\$ 707.92	-0.36%	0.21%	0.53%	0.21%	0.00%	6.31%	7.81%	0.97	0.98	0.97	1.75	\$ 786.13	\$ 817.20
South Central	Family and Children	Newborn, 0-1 Months	\$ 1,261.78	\$ 1,237.35	\$ 1,251.05	-0.03%	0.11%	0.00%	0.11%	0.00%	0.67%	2.14%	0.98	0.99	0.99	35.97	\$ 1,281.04	\$ 1,326.65
South Central	Family and Children	Newborn, 3-11 Months	\$ 206.77	\$ 189.37	\$ 196.95	-0.33%	0.11%	0.00%	0.11%	0.00%	0.27%	4.35%	0.96	0.97	0.97	1.85	\$ 196.82	\$ 206.65
South Central	Family and Children	Child, 1-20 Years	\$ 100.71	\$ 95.46	\$ 97.83	-0.57%	0.22%	0.00%	0.22%	0.00%	3.13%	5.12%	0.94	0.95	0.95	0.02	\$ 95.98	\$ 100.98
South Central	Family and Children	Adult, 21+ Years	\$ 239.09	\$ 223.33	\$ 230.06	-0.36%	0.17%	0.00%	0.17%	0.00%	3.64%	5.91%	0.95	0.96	0.96	233.76	\$ 246.71	\$ 246.71
South Central	Foster Care Children	Foster Care, All Ages Male & Female	\$ 192.04	\$ 171.62	\$ 179.27	-0.21%	0.26%	0.00%	0.26%	0.00%	1.95%	3.70%	0.91	0.92	0.92	-	\$ 168.14	\$ 176.01
South Central	Breast and Cervical Cancer	BCCA, All Ages Female	\$ 1,665.30	\$ 1,321.55	\$ 1,451.38	-0.21%	0.13%	2.61%	0.13%	0.00%	7.63%	9.40%	0.98	0.98	0.98	169.65	\$ 1,785.02	\$ 1,785.02
South Central	LaCHP Affordable Plan	All Ages	\$ 104.63	\$ 106.13	\$ 106.01	-0.63%	0.23%	0.37%	0.23%	0.00%	9.34%	4.52%	0.91	0.92	0.92	100.03	\$ 105.55	\$ 105.55
South Central	HCBS Waiver	20 & Under, Male and Female	\$ 1,641.71	\$ 1,611.85	\$ 1,623.79	-0.49%	0.13%	0.00%	0.13%	0.00%	9.34%	17.78%	0.96	0.96	0.96	-	\$ 1,878.02	\$ 2,013.17
South Central	HCBS Waiver	21+ Years, Male and Female	\$ 802.29	\$ 804.09	\$ 835.01	-1.06%	0.25%	0.01%	0.25%	0.00%	6.02%	7.68%	0.91	0.93	0.93	-	\$ 849.20	\$ 901.07
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 942.92	\$ 898.47	\$ 892.25	-0.62%	0.16%	0.02%	0.16%	0.00%	3.03%	5.31%	0.94	0.94	0.94	-	\$ 890.07	\$ 957.48
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
South Central	SBH - Other	SBH - Other, All Ages	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,027.25	\$ 5,091.47	\$ 5,080.31	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00	1.00	1.00	-	\$ 5,080.31	\$ 5,191.07
North	SSI	Newborn, 0-2 Months	\$ 15,896.36	\$ 12,740.78	\$ 13,182.64	-0.11%	0.00%	0.00%	0.00%	0.00%	0.71%	1.96%	0.96	0.96	0.96	\$ 1,457.70	\$ 14,384.50	\$ 14,878.51
North	SSI	Newborn, 3-11 Months	\$ 2,608.91	\$ 3,592.12	\$ 2,573.88	-0.25%	0.09%	0.00%	0.09%	0.00%	4.15%	9.92%	0.99	0.99	0.99	8.84	\$ 2,781.95	\$ 2,883.72
North	SSI	Child, 1-20 Years	\$ 334.17	\$ 332.25	\$ 333.22	-0.51%	0.21%	0.00%	0.21%	0.00%	7.15%	8.78%	0.97	0.98	0.98	1.70	\$ 369.15	\$ 386.08
North	SSI	Adult, 21+ Years	\$ 677.65	\$ 653.08	\$ 662.56	-0.31%	0.20%	0.53%	0.20%	0.00%	5.89%	7.95%	0.98	0.98	0.98	1.68	\$ 730.39	\$ 758.65
North	Family and Children	Newborn, 0-1 Months	\$ 1,163.87	\$ 1,163.87	\$ 1,212.28	-0.02%	0.01%	0.00%	0.01%	0.00%	0.66%	2.11%	0.98	0.98	0.98	35.97	\$ 1,238.21	\$ 1,283.84
North	Family and Children	Newborn, 3-11 Months	\$ 205.15	\$ 190.58	\$ 196.87	-0.43%	0.10%	0.00%	0.10%	0.00%	0.26%	4.35%	0.95	0.96	0.97	1.81	\$ 207.15	\$ 207.15
North	Family and Children	Child, 1-20 Years	\$ 85.98	\$ 83.57	\$ 84.72	-0.28%	0.18%	0.00%	0.18%	0.00%	3.04%	5.14%	0.95	0.96	0.96	0.02	\$ 84.03	\$ 88.43
North	Family and Children	Adult, 21+ Years	\$ 220.73	\$ 211.03	\$ 215.07	-0.33%	0.15%	0.00%	0.15%	0.00%	3.41%	5.58%	0.95	0.96	0.96	218.07	\$ 230.08	\$ 230.08
North	Foster Care Children	Foster Care, All Ages Male & Female	\$ 203.42	\$ 174.96	\$ 186.68	-0.47%	0.25%	0.00%	0.25%	0.00%	2.21%	4.01%	0.97	0.98	0.98	186.15	\$ 186.15	\$ 186.15
North	Breast and Cervical Cancer	BCCA, All Ages Female	\$ 1,537.25	\$ 1,455.62	\$ 1,503.17	-0.53%	0.19%	2.61%	0.19%	0.00%	8.01%	9.87%	0.93	0.93	0.93	17.22	\$ 1,747.24	\$ 1,822.85
North	LaCHP Affordable Plan	All Ages	\$ 130.49	\$ 142.30	\$ 139.28	-0.51%	0.18%	0.37%	0.18%	0.00%	2.64%	4.80%	0.93	0.94	0.94	14.26	\$ 134.66	\$ 142.26
North	HCBS Waiver	20 & Under, Male and Female	\$ 1,567.91	\$ 1,474.01	\$ 1,669.57	-0.43%	0.11%	0.00%	0.11%	0.00%	9.18%	11.61%	0.96	0.96	0.96	-	\$ 1,915.88	\$ 2,060.78
North	HCBS Waiver	21+ Years, Male and Female	\$ 845.82	\$ 792.23	\$ 813.67	-0.62%	0.26%	0.01%	0.26%	0.00%	5.23%	6.79%	0.91	0.93	0.93	85.05	\$ 815.61	\$ 865.05
North	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 693.43	\$ 716.32	\$ 707.16	-0.50%	0.13%	0.02%	0.13%	0.00%	3.04%	5.47%	0.95	0.95	0.95	709.71	\$ 767.00	\$ 767.00
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
North	SBH - Other	SBH - Other, All Ages	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00	1.00	1.00	-	\$ -	\$ -
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,010.21	\$ 4,880.85	\$ 4,936.65	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00	1.00	1.00	-	\$ 4,936.65	\$ 5,044.24

Notes:

$$F = B \times (1 + C)^x (1 + D)^x (1 + E)^x$$

$$1 - H^*(1 + D)^x (1 + D)$$

$$m_1^2 = 100^2 + 200^2 = 200^2 + 200^2$$

M' = 40% * CY13 + 60% * CY14

$$W = (M * (1 + N) * (1 + O) * (1 + P) * ((1 + Q)^{25/12}) * S) + U + V$$

M^1 is calculated separately for PP, SS and FFS data types

Appendix I: Specialized Behavioral Health Projected Claims PMPM Development

Table 1a: SBH Historical Rating Adjustments (CY 2013)

Historical Adjustments												
Region Name	COA Desc	Rate Cell Desc	A	B	C	D	E	F	G	H	I	J
			CY2013 MMs	CY2013 PMPM	IP/OP Fee Adj	PRTF Adj	PSH Increase Adj	CSOC Adj	Medication Mgmt Adj	Historical Trend	Recoupment Adj (F&A)	CY2013 PMPM After Adj
Gulf	SSI	Newborn, 0-2 Months	604	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -
Gulf	SSI	Newborn, 3-11 Months	2,059	\$ 1.22	0.0%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.1%	\$ 1.60
Gulf	SSI	Child, 1-20 Years	146,014	\$ 82.20	-0.2%	0.1%	0.1%	-9.2%	1.9%	32.0%	-0.1%	\$ 100.25
Gulf	SSI	Adult, 21+ Years	285,997	\$ 78.20	-0.6%	0.0%	0.2%	0.0%	-0.1%	3.0%	-0.1%	\$ 80.07
Gulf	Family and Children	Newborn, 0-2 Months	47,078	\$ 0.09	-0.8%	0.0%	0.0%	0.0%	0.0%	32.0%	0.0%	\$ 0.12
Gulf	Family and Children	Newborn, 3-11 Months	105,588	\$ 0.03	-3.8%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.1%	\$ 0.03
Gulf	Family and Children	Child, 1-20 Years	2,076,182	\$ 13.72	0.0%	0.1%	0.0%	-3.8%	1.6%	32.0%	-0.1%	\$ 17.72
Gulf	Family and Children	Adult, 21+ Years	364,014	\$ 16.15	-0.2%	0.0%	0.0%	0.0%	0.0%	3.0%	-0.1%	\$ 16.63
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	21,685	\$ 101.64	0.0%	0.6%	0.1%	-10.0%	1.5%	32.0%	-0.1%	\$ 123.42
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	3,850	\$ 6.91	-0.8%	0.0%	0.0%	0.0%	-0.5%	3.0%	-0.2%	\$ 7.01
Gulf	LaCHIP Affordable Plan	All Ages	10,504	\$ 6.83	0.6%	0.0%	0.0%	0.0%	3.4%	32.0%	-0.2%	\$ 9.37
Gulf	HCBS Waiver	20 & Under, Male and Female	7,958	\$ 21.43	-0.9%	0.0%	0.0%	-10.0%	6.3%	32.0%	-0.1%	\$ 26.79
Gulf	HCBS Waiver	21+ Years, Male and Female	13,356	\$ 31.00	-1.2%	0.0%	0.2%	0.0%	0.8%	3.0%	-0.1%	\$ 31.78
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	16,111	\$ 52.90	-0.2%	0.0%	0.0%	-11.9%	3.9%	32.0%	-0.1%	\$ 63.78
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	16,354	\$ 57.50	-0.3%	0.0%	0.0%	-10.8%	3.6%	31.0%	-0.1%	\$ 69.26
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	304,778	\$ 16.76	5.3%	0.0%	0.4%	0.0%	0.5%	7.3%	-0.1%	\$ 19.08
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,958	\$ 26.42	-0.8%	0.0%	0.0%	-8.4%	5.1%	28.2%	-0.2%	\$ 32.31
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	13,356	\$ 42.89	-0.9%	0.0%	0.1%	0.0%	0.6%	5.2%	-0.3%	\$ 44.91
Gulf	SBH - Other	SBH - Other, All Ages	6,844	\$ 131.85	-1.1%	0.0%	0.0%	0.0%	0.0%	5.8%	-0.3%	\$ 137.77
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -
Capital	SSI	Newborn, 0-2 Months	438	\$ 7.44	0.0%	0.0%	5.0%	0.0%	0.0%	32.0%	-0.3%	\$ 10.28
Capital	SSI	Newborn, 3-11 Months	1,724	\$ 0.03	0.0%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.3%	\$ 0.05
Capital	SSI	Child, 1-20 Years	107,730	\$ 60.84	0.2%	0.4%	0.0%	-13.6%	2.5%	32.0%	-0.1%	\$ 71.51
Capital	SSI	Adult, 21+ Years	211,050	\$ 68.16	0.7%	0.0%	0.0%	0.0%	0.0%	3.0%	-0.1%	\$ 70.64
Capital	Family and Children	Newborn, 0-2 Months	42,322	\$ 0.13	-0.2%	0.0%	0.0%	0.0%	0.0%	32.0%	0.0%	\$ 0.17
Capital	Family and Children	Newborn, 3-11 Months	95,526	\$ 0.14	0.0%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.2%	\$ 0.19
Capital	Family and Children	Child, 1-20 Years	1,865,622	\$ 13.58	1.1%	0.2%	0.0%	-4.1%	3.0%	32.0%	-0.1%	\$ 17.89
Capital	Family and Children	Adult, 21+ Years	261,190	\$ 16.52	3.3%	0.1%	0.0%	0.0%	0.6%	3.0%	-0.1%	\$ 17.67
Capital	Foster Care Children	Foster Care, All Ages Male & Female	31,354	\$ 91.83	0.7%	1.1%	0.1%	-5.6%	2.4%	32.0%	-0.1%	\$ 119.38
Capital	Breast and Cervical Cancer	BCC, All Ages Female	4,073	\$ 7.09	-1.4%	0.0%	0.0%	0.0%	0.0%	3.0%	-0.1%	\$ 7.19
Capital	LaCHIP Affordable Plan	All Ages	11,368	\$ 8.26	6.7%	0.0%	0.0%	0.0%	7.5%	32.0%	-0.3%	\$ 12.46
Capital	HCBS Waiver	20 & Under, Male and Female	8,312	\$ 22.84	1.4%	0.0%	0.3%	-11.2%	5.2%	32.0%	-0.1%	\$ 28.61
Capital	HCBS Waiver	21+ Years, Male and Female	12,207	\$ 53.14	3.5%	0.0%	0.0%	0.0%	0.5%	3.0%	-0.1%	\$ 56.84
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	15,980	\$ 58.16	2.5%	0.7%	0.0%	-12.6%	3.6%	32.0%	-0.2%	\$ 71.68
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	16,137	\$ 63.55	3.1%	0.6%	0.0%	-11.6%	3.3%	30.3%	-0.2%	\$ 78.28
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	245,750	\$ 12.39	2.2%	0.0%	0.0%	-0.2%	0.4%	10.9%	-0.1%	\$ 14.07
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	8,312	\$ 28.93	1.1%	0.0%	0.3%	-9.2%	4.1%	27.8%	-0.2%	\$ 35.33
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	12,207	\$ 66.35	2.7%	0.0%	0.0%	0.0%	0.4%	4.6%	-0.2%	\$ 71.43
Capital	SBH - Other	SBH - Other, All Ages	8,284	\$ 115.30	0.7%	0.0%	0.0%	0.0%	0.1%	5.1%	-0.2%	\$ 121.85
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -

Notes:
 NEMT services are included for SBH Program
 $J = B * (1 + C) * (1 + D) * (1 + E) * (1 + F) * (1 + G) * (1 + H) * (1 + I)$
 $T = L * (1 + M) * (1 + N) * (1 + O) * (1 + P) * (1 + S)$
 $U = 40\% * J + 60\% * T$
 $AA = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (25/12)$
 $AB = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (25/12)$

Appendix I: Specialized Behavioral Health Projected Claims PMPM Development

Table 1a: SBH Historical Rating Adjustments (CY 2013)

Region Name	COA Desc	Rate Cell Desc	Historical Adjustments									
			A	B	C	D	E	F	G	H	I	J
			CY2013 MMs	CY2013 PMPM	IP/OP Fee Adj	PRTF Adj	PSH Increase Adj	CSOC Adj	Medication Mgmt Adj	Historical Trend	Recoupment Adj (F&A)	CY2013 PMPM After Adj
South Central	SSI	Newborn, 0-2 Months	504	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -
South Central	SSI	Newborn, 3-11 Months	1,951	\$ 2.88	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ 3.86
South Central	SSI	Child, 1-20 Years	109,883	\$ 66.55	-0.3%	0.4%	0.0%	-7.1%	1.7%	32.0%	-0.1%	\$ 82.57
South Central	SSI	Adult, 21+ Years	249,545	\$ 74.30	-0.7%	0.0%	0.1%	0.0%	0.5%	3.0%	-0.1%	\$ 76.39
South Central	Family and Children	Newborn, 0-2 Months	46,805	\$ 0.01	-7.4%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.9%	\$ 0.01
South Central	Family and Children	Newborn, 3-11 Months	105,452	\$ 0.04	-0.9%	0.0%	0.0%	0.0%	0.0%	32.0%	0.0%	\$ 0.05
South Central	Family and Children	Child, 1-20 Years	2,041,990	\$ 11.41	-0.2%	0.2%	0.0%	-4.3%	1.0%	32.0%	-0.1%	\$ 14.55
South Central	Family and Children	Adult, 21+ Years	271,825	\$ 17.90	-0.9%	0.0%	0.0%	0.0%	1.3%	3.0%	-0.2%	\$ 18.49
South Central	Foster Care Children	Foster Care, All Ages Male & Female	39,937	\$ 104.75	-0.1%	1.8%	0.0%	-5.5%	0.5%	32.0%	0.0%	\$ 133.46
South Central	Breast and Cervical Cancer	BCC, All Ages Female	2,936	\$ 2.13	-0.3%	0.0%	0.3%	0.0%	1.2%	3.0%	0.0%	\$ 2.22
South Central	LaCHIP Affordable Plan	All Ages	13,198	\$ 5.87	-0.1%	0.0%	0.0%	0.0%	2.1%	32.0%	-0.1%	\$ 7.90
South Central	HCBS Waiver	20 & Under, Male and Female	7,448	\$ 31.15	-0.5%	0.0%	0.0%	0.0%	3.5%	32.0%	-0.2%	\$ 42.29
South Central	HCBS Waiver	21+ Years, Male and Female	14,510	\$ 42.91	-0.7%	0.0%	0.0%	0.0%	2.6%	3.0%	-0.2%	\$ 44.96
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	16,884	\$ 90.34	-0.3%	0.7%	0.0%	-12.8%	1.6%	32.0%	-0.1%	\$ 105.97
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,361	\$ 98.94	-0.2%	0.6%	0.0%	-11.6%	1.4%	30.0%	-0.1%	\$ 115.62
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	328,533	\$ 11.41	3.2%	0.0%	0.1%	0.0%	0.0%	8.9%	-0.2%	\$ 12.88
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,448	\$ 42.01	-0.4%	0.0%	0.0%	0.0%	2.6%	26.7%	-0.3%	\$ 54.29
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	14,510	\$ 64.34	-0.4%	0.0%	0.0%	0.0%	1.7%	5.6%	-0.3%	\$ 68.62
South Central	SBH - Other	SBH - Other, All Ages	10,261	\$ 199.32	-0.2%	0.0%	0.0%	0.0%	0.2%	4.8%	-0.2%	\$ 208.53
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -
North	SSI	Newborn, 0-2 Months	476	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -
North	SSI	Newborn, 3-11 Months	1,874	\$ 0.01	0.0%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.4%	\$ 0.02
North	SSI	Child, 1-20 Years	120,806	\$ 105.86	-0.1%	0.7%	0.0%	-0.7%	0.5%	32.0%	0.0%	\$ 140.35
North	SSI	Adult, 21+ Years	212,523	\$ 51.67	-0.7%	0.1%	0.1%	0.0%	0.3%	3.0%	-0.1%	\$ 53.08
North	Family and Children	Newborn, 0-2 Months	35,826	\$ 0.02	-7.4%	0.0%	0.0%	0.0%	0.0%	32.0%	0.0%	\$ 0.02
North	Family and Children	Newborn, 3-11 Months	81,279	\$ 0.00	-4.1%	0.0%	0.0%	0.0%	0.0%	32.0%	-0.1%	\$ 0.01
North	Family and Children	Child, 1-20 Years	1,599,053	\$ 16.86	-0.1%	0.1%	0.0%	-0.3%	0.6%	32.0%	0.0%	\$ 22.30
North	Family and Children	Adult, 21+ Years	206,386	\$ 16.52	-0.8%	0.3%	0.0%	0.0%	0.3%	3.0%	-0.1%	\$ 16.98
North	Foster Care Children	Foster Care, All Ages Male & Female	22,040	\$ 277.60	-0.2%	2.6%	0.0%	-0.3%	0.2%	32.0%	0.0%	\$ 376.24
North	Breast and Cervical Cancer	BCC, All Ages Female	2,439	\$ 36.08	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	-0.1%	\$ 37.14
North	LaCHIP Affordable Plan	All Ages	7,217	\$ 7.98	-1.2%	0.0%	0.1%	-0.4%	1.2%	32.0%	0.0%	\$ 10.51
North	HCBS Waiver	20 & Under, Male and Female	4,875	\$ 61.06	-0.5%	0.6%	0.1%	-1.7%	2.2%	32.0%	-0.1%	\$ 81.10
North	HCBS Waiver	21+ Years, Male and Female	11,273	\$ 41.95	-0.8%	0.0%	0.0%	0.0%	1.4%	3.0%	-0.1%	\$ 43.36
North	Chisholm Class Members	Chisholm, All Ages Male & Female	16,974	\$ 81.41	0.1%	0.8%	0.0%	-1.4%	1.3%	32.0%	0.0%	\$ 108.48
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,290	\$ 84.30	0.1%	0.8%	0.0%	-1.3%	1.3%	31.3%	0.0%	\$ 111.73
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	258,049	\$ 11.14	1.9%	0.1%	0.1%	0.0%	0.3%	9.9%	-0.1%	\$ 12.52
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	4,875	\$ 68.24	-0.4%	0.5%	0.1%	-1.6%	2.0%	29.8%	-0.1%	\$ 89.03
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	11,273	\$ 62.36	-0.5%	0.0%	0.0%	0.0%	0.8%	5.6%	-0.2%	\$ 65.90
North	SBH - Other	SBH - Other, All Ages	9,400	\$ 116.74	-0.3%	0.0%	0.0%	0.0%	0.1%	5.7%	-0.3%	\$ 122.79
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -

Notes:

NEMT services are included for SBH Program

J = B * (1 + C) * (1 + D) * (1 + E) * (1 + F) * (1 + G) * (1 + H) * (1 + I)

T = L * (1 + M) * (1 + N) * (1 + O) * (1 + P) * (1 + S)

U = 40% * J + 60% * T

AA = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + 12)

AB = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + 12)

Appendix I: Specialized Behavioral Health Projected Claims PMPM Development

Table 1b: SBH Historical Adjustments (CY 2014)

Table 1b: SBH Historical Adjustments (CY 2014)														
Region Name	COA Desc	Rate Cell Desc	K		L	M	N	Historical Adjustments					S	T
			CY2014 NMs	CY2014 PMPM				P	Q	R				
						IP/OP Fee Adj	PRTF Adj	PSH Increase Adj	CSOC Adj	Medication Mgmt Adj	Historical Trend	Recoupment Adj (F&A)	CY2014 PMPM After Adj	
Gulf	SSI	Newborn, 0-2 Months	499	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	\$ -	
Gulf	SSI	Newborn, 3-11 Months	2,016	\$ 0.52	\$ 0.52	-0.1%	0.0%	0.0%	0.0%	0.0%		-0.1%	\$ 0.52	
Gulf	SSI	Child, 1-20 Years	140,382	\$ 106.62	\$ 106.62	-0.1%	0.3%	0.1%	-12.6%	0.0%		-0.1%	\$ 93.36	
Gulf	SSI	Adult, 21+ Years	268,331	\$ 87.70	\$ 87.70	-0.5%	0.0%	0.4%	-0.1%	0.0%		-0.2%	\$ 87.46	
Gulf	Family and Children	Newborn, 0-2 Months	48,751	\$ 0.02	\$ 0.02	-7.0%	0.0%	0.0%	0.0%	0.0%		-0.2%	\$ 0.02	
Gulf	Family and Children	Newborn, 3-11 Months	108,391	\$ 0.09	\$ 0.09	-3.6%	0.0%	0.0%	0.0%	0.0%		-0.1%	\$ 0.09	
Gulf	Family and Children	Child, 1-20 Years	2,120,899	\$ 19.23	\$ 19.23	0.0%	0.1%	0.0%	-4.9%	0.0%		-0.2%	\$ 18.30	
Gulf	Family and Children	Adult, 21+ Years	388,455	\$ 17.84	\$ 17.84	-0.3%	0.0%	0.2%	0.0%	0.0%		-0.2%	\$ 17.78	
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	23,352	\$ 134.67	\$ 134.67	0.3%	0.8%	0.1%	-10.7%	0.0%		-0.1%	\$ 121.60	
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	3,937	\$ 7.88	\$ 7.88	-0.6%	0.0%	0.0%	0.0%	0.0%		-0.3%	\$ 7.81	
Gulf	LaCHIP Affordable Plan	All Ages	10,244	\$ 8.51	\$ 8.51	0.3%	0.0%	0.0%	0.0%	0.0%		-0.3%	\$ 8.51	
Gulf	HCBS Waiver	20 & Under, Male and Female	7,178	\$ 23.80	\$ 23.80	-0.6%	0.0%	0.1%	-9.0%	0.0%		-0.2%	\$ 21.51	
Gulf	HCBS Waiver	21+ Years, Male and Female	13,626	\$ 43.59	\$ 43.59	-1.1%	0.0%	0.2%	0.0%	0.0%		-0.2%	\$ 43.11	
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	16,983	\$ 62.39	\$ 62.39	-0.1%	0.4%	0.1%	-19.7%	0.0%		-0.2%	\$ 50.18	
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,167	\$ 65.89	\$ 65.89	-0.1%	0.4%	0.1%	-18.5%	0.0%		-0.2%	\$ 53.81	
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	299,337	\$ 19.00	\$ 19.00	7.6%	0.0%	0.7%	0.0%	0.0%		-0.2%	\$ 20.54	
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,178	\$ 26.19	\$ 26.19	-0.5%	0.0%	0.1%	-8.2%	0.0%		-0.2%	\$ 23.90	
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	13,626	\$ 53.03	\$ 53.03	-0.9%	0.0%	0.2%	0.0%	0.0%		-0.3%	\$ 52.51	
Gulf	SBH - Other	SBH - Other, All Ages	7,536	\$ 158.01	\$ 158.01	-1.3%	0.0%	0.0%	0.0%	0.0%		-0.2%	\$ 155.65	
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	\$ -	
Capital	SSI	Newborn, 0-2 Months	384	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	\$ -	
Capital	SSI	Newborn, 3-11 Months	1,488	\$ 8.06	\$ 8.06	-0.5%	0.0%	0.0%	0.0%	0.0%		-0.2%	\$ 8.20	
Capital	SSI	Child, 1-20 Years	104,301	\$ 88.10	\$ 88.10	0.1%	0.6%	0.0%	-12.7%	0.0%		-0.1%	\$ 77.27	
Capital	SSI	Adult, 21+ Years	195,553	\$ 70.14	\$ 70.14	0.7%	0.1%	0.0%	0.0%	0.0%		-0.1%	\$ 70.65	
Capital	Family and Children	Newborn, 0-2 Months	42,461	\$ 1.21	\$ 1.21	-0.1%	0.0%	0.0%	0.0%	0.0%		-0.3%	\$ 1.25	
Capital	Family and Children	Newborn, 3-11 Months	96,528	\$ 0.42	\$ 0.42	-1.0%	0.0%	0.0%	0.0%	0.0%		-0.3%	\$ 0.42	
Capital	Family and Children	Child, 1-20 Years	1,914,036	\$ 18.07	\$ 18.07	1.0%	0.1%	0.0%	-5.7%	0.0%		-0.3%	\$ 17.17	
Capital	Family and Children	Adult, 21+ Years	288,647	\$ 19.95	\$ 19.95	2.3%	0.1%	0.0%	0.0%	0.0%		-0.2%	\$ 20.40	
Capital	Foster Care Children	Foster Care, All Ages Male & Female	33,498	\$ 160.86	\$ 160.86	1.0%	1.6%	0.0%	-1.1%	0.0%		-0.1%	\$ 163.25	
Capital	Breast and Cervical Cancer	BCC, All Ages Female	3,825	\$ 16.58	\$ 16.58	-0.3%	0.0%	0.0%	0.0%	0.0%		-0.1%	\$ 16.50	
Capital	LaCHIP Affordable Plan	All Ages	10,876	\$ 15.96	\$ 15.96	2.2%	0.0%	0.0%	0.0%	0.0%		-0.3%	\$ 16.27	
Capital	HCBS Waiver	20 & Under, Male and Female	7,499	\$ 44.31	\$ 44.31	0.0%	1.9%	0.1%	-13.4%	0.0%		-0.2%	\$ 39.07	
Capital	HCBS Waiver	21+ Years, Male and Female	12,294	\$ 43.23	\$ 43.23	0.5%	0.0%	0.1%	0.0%	0.0%		-0.2%	\$ 43.40	
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	17,068	\$ 68.04	\$ 68.04	2.3%	0.8%	0.0%	-18.9%	0.0%		-0.2%	\$ 56.83	
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,176	\$ 74.84	\$ 74.84	3.0%	0.7%	0.0%	-17.1%	0.0%		-0.2%	\$ 64.27	
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	239,197	\$ 15.60	\$ 15.60	2.8%	0.0%	0.1%	0.0%	0.0%		-0.1%	\$ 16.03	
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,499	\$ 50.40	\$ 50.40	0.0%	1.6%	0.1%	-11.8%	0.0%		-0.2%	\$ 45.14	
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	12,294	\$ 59.67	\$ 59.67	0.4%	0.0%	0.1%	0.0%	0.0%		-0.2%	\$ 59.79	
Capital	SBH - Other	SBH - Other, All Ages	8,412	\$ 96.37	\$ 96.37	0.5%	0.0%	0.0%	0.0%	0.0%		-0.2%	\$ 96.67	
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	\$ -	

Notes:
 NEMT services are included for SBH Program
 $J = B * (1 + C) * (1 + D) * (1 + E) * (1 + F) * (1 + G) * (1 + H) * (1 + I)$
 $T = L * (1 + M) * (1 + N) * (1 + O) * (1 + P) * (1 + S)$
 $U = 40\% * J + 60\% * T$
 $AA = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z)$
 $AB = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + Z)$

Appendix I: Specialized Behavioral Health Projected Claims PMPM Development

Table 1b: SBH Historical Adjustments (CY 2014)

Table 1b: SBH Historical Adjustments (CY 2014)														
Region Name	COA Desc	Rate Cell Desc	K		L	Historical Adjustments								T
			CY2014 NMs	CY2014 PMPM		M	N	O	P	Q	R	S		
						IP/OP Fee Adj	PRTF Adj	PSH Increase Adj	CSOC Adj	Medication Mgmt Adj	Historical Trend	Recoupment Adj (F&A)	CY2014 PMPM After Adj	
South Central	SSI	Newborn, 0-2 Months	466	\$ -		0.0%	0.0%	0.0%	0.0%			0.0%	\$ -	
South Central	SSI	Newborn, 3-11 Months	1,871	\$ 0.08		-0.1%	0.0%	0.0%	0.0%			-0.2%	\$ 0.08	
South Central	SSI	Child, 1-20 Years	108,433	\$ 83.01		-0.2%	0.6%	0.0%	-9.2%			-0.2%	\$ 75.57	
South Central	SSI	Adult, 21+ Years	237,953	\$ 69.44		-0.6%	0.1%	0.1%	-0.2%			-0.2%	\$ 68.89	
South Central	Family and Children	Newborn, 0-2 Months	46,634	\$ 0.71		-0.1%	0.0%	0.0%	0.0%			-0.2%	\$ 0.71	
South Central	Family and Children	Newborn, 3-11 Months	104,955	\$ 0.28		-0.2%	0.0%	0.0%	0.0%			-0.2%	\$ 0.28	
South Central	Family and Children	Child, 1-20 Years	2,083,138	\$ 14.71		-0.1%	0.2%	0.0%	-3.5%			-0.2%	\$ 14.19	
South Central	Family and Children	Adult, 21+ Years	299,789	\$ 19.82		-0.9%	0.1%	0.0%	-0.1%			-0.3%	\$ 19.58	
South Central	Foster Care Children	Foster Care, All Ages Male & Female	44,797	\$ 103.55		0.0%	1.1%	0.0%	-3.7%			-0.1%	\$ 100.73	
South Central	Breast and Cervical Cancer	BCC, All Ages Female	2,747	\$ 5.60		-0.3%	0.0%	0.0%	0.0%			-0.3%	\$ 5.57	
South Central	LaCHIP Affordable Plan	All Ages	12,678	\$ 7.15		-0.1%	0.0%	0.0%	0.0%			-0.4%	\$ 7.11	
South Central	HCBS Waiver	20 & Under, Male and Female	6,786	\$ 23.84		-0.2%	0.0%	0.1%	0.0%			-0.3%	\$ 23.75	
South Central	HCBS Waiver	21+ Years, Male and Female	14,109	\$ 41.78		-0.3%	0.1%	0.0%	0.0%			-0.3%	\$ 41.54	
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	18,278	\$ 114.05		0.0%	1.0%	0.0%	-4.8%			-0.2%	\$ 109.45	
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	18,709	\$ 122.06		0.0%	0.9%	0.0%	-4.4%			-0.2%	\$ 117.55	
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	323,040	\$ 11.73		5.3%	0.1%	0.1%	0.0%			-0.2%	\$ 12.36	
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	6,786	\$ 32.74		-0.1%	0.0%	0.1%	0.0%			-0.3%	\$ 32.62	
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	14,109	\$ 58.70		-0.2%	0.0%	0.0%	0.0%			-0.3%	\$ 58.41	
South Central	SBH - Other	SBH - Other, All Ages	10,727	\$ 174.95		-0.2%	0.0%	0.0%	0.0%			-0.2%	\$ 174.30	
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -		0.0%	0.0%	0.0%	0.0%			0.0%	\$ -	
North	SSI	Newborn, 0-2 Months	442	\$ -		0.0%	0.0%	0.0%	0.0%			0.0%	\$ -	
North	SSI	Newborn, 3-11 Months	1,700	\$ 0.09		-0.1%	0.0%	0.0%	0.0%			-0.2%	\$ 0.09	
North	SSI	Child, 1-20 Years	119,014	\$ 121.74		-0.2%	0.4%	0.0%	-0.6%			-0.1%	\$ 121.15	
North	SSI	Adult, 21+ Years	208,362	\$ 56.01		-1.2%	0.1%	0.1%	0.0%			-0.1%	\$ 55.41	
North	Family and Children	Newborn, 0-2 Months	35,265	\$ 0.01		0.0%	0.0%	0.0%	0.0%			0.0%	\$ 0.01	
North	Family and Children	Newborn, 3-11 Months	81,697	\$ 0.19		0.0%	0.0%	0.0%	0.0%			0.0%	\$ 0.19	
North	Family and Children	Child, 1-20 Years	1,639,346	\$ 24.48		-0.1%	0.1%	0.1%	-0.3%			-0.1%	\$ 24.40	
North	Family and Children	Adult, 21+ Years	239,631	\$ 18.86		-0.4%	0.3%	0.0%	0.0%			-0.1%	\$ 18.83	
North	Foster Care Children	Foster Care, All Ages Male & Female	24,828	\$ 257.07		0.0%	2.5%	0.1%	-0.3%			0.0%	\$ 262.89	
North	Breast and Cervical Cancer	BCC, All Ages Female	2,561	\$ 12.40		0.0%	0.0%	0.0%	0.0%			-0.1%	\$ 12.39	
North	LaCHIP Affordable Plan	All Ages	6,372	\$ 21.12		-0.2%	0.0%	0.1%	-0.3%			-0.1%	\$ 21.00	
North	HCBS Waiver	20 & Under, Male and Female	4,318	\$ 46.52		0.0%	0.0%	0.1%	-1.5%			-0.2%	\$ 45.77	
North	HCBS Waiver	21+ Years, Male and Female	11,256	\$ 40.47		-0.1%	0.0%	0.0%	0.0%			-0.3%	\$ 40.34	
North	Chisholm Class Members	Chisholm, All Ages Male & Female	16,846	\$ 106.55		0.0%	0.8%	0.0%	-1.6%			-0.1%	\$ 105.70	
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,129	\$ 108.48		0.0%	0.8%	0.1%	-1.6%			-0.1%	\$ 107.64	
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	256,152	\$ 13.89		4.2%	0.2%	0.2%	0.0%			-0.1%	\$ 14.50	
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	4,318	\$ 52.97		0.0%	0.0%	0.1%	-1.3%			-0.2%	\$ 52.20	
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	11,256	\$ 58.20		0.0%	0.0%	0.0%	0.0%			-0.3%	\$ 58.00	
North	SBH - Other	SBH - Other, All Ages	9,527	\$ 109.51		-0.1%	0.0%	0.0%	0.0%			-0.2%	\$ 109.22	
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	\$ -		0.0%	0.0%	0.0%	0.0%			0.0%	\$ -	

Notes:
 NEMT services are included for SBH Program
 $J = B * (1 + C) * (1 + D) * (1 + E) * (1 + F) * (1 + G) * (1 + H) * (1 + I)$
 $T = L * (1 + M) * (1 + N) * (1 + O) * (1 + P) * (1 + S)$
 $U = 40\% * J + 60\% * T$
 $AA = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + 12)$
 $AB = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + 12)$

Appendix I: Specialized Behavioral Health Projected Claims PMPM Development

Table 2: SBH Prospective Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	Prospective Adjustments										AB
			J	T	U	V	W	X	Y	Z	AA	AB	
			CY2013 PMPM After Historical Adj	CY2014 PMPM After Historical Adj	Blended PMPM	19151 Adj	Mixed Services Protocol Adj	Retro Adj	Low Trend	High Trend	Projected PMPM -- Low	Projected PMPM -- High	
Gulf	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -	
Gulf	SSI	Newborn, 3-11 Months	\$ 1.60	\$ 0.52	\$ 0.95	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 1.62	\$ 1.75	
Gulf	SSI	Child, 1-20 Years	\$ 100.25	\$ 93.36	\$ 96.12	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 163.38	\$ 176.85	
Gulf	SSI	Adult, 21+ Years	\$ 80.07	\$ 87.46	\$ 84.51	3.4%	0.0%	0.0%	4.0%	6.0%	\$ 95.28	\$ 99.14	
Gulf	Family and Children	Newborn, 0-2 Months	\$ 0.12	\$ 0.02	\$ 0.06	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.10	\$ 0.11	
Gulf	Family and Children	Newborn, 3-11 Months	\$ 0.03	\$ 0.09	\$ 0.07	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.11	\$ 0.12	
Gulf	Family and Children	Child, 1-20 Years	\$ 17.72	\$ 18.30	\$ 18.07	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 30.71	\$ 33.25	
Gulf	Family and Children	Adult, 21+ Years	\$ 16.63	\$ 17.78	\$ 17.32	4.0%	0.0%	0.0%	4.0%	6.0%	\$ 19.55	\$ 20.35	
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	\$ 123.42	\$ 121.60	\$ 122.33	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 207.95	\$ 225.10	
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	\$ 7.01	\$ 7.81	\$ 7.49	7.4%	0.0%	0.0%	4.0%	6.0%	\$ 8.95	\$ 9.32	
Gulf	LaCHIP - Affordable Plan	All Ages	\$ 9.37	\$ 8.51	\$ 8.85	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 15.10	\$ 16.35	
Gulf	HCBBS Waiver	20 & Under, Male and Female	\$ 26.79	\$ 21.51	\$ 23.63	0.1%	0.0%	0.0%	29.0%	34.0%	\$ 40.18	\$ 43.49	
Gulf	HCBBS Waiver	21+ Years, Male and Female	\$ 31.78	\$ 43.11	\$ 38.58	3.5%	0.0%	0.0%	4.0%	6.0%	\$ 43.32	\$ 45.08	
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 63.78	\$ 50.18	\$ 55.62	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 94.56	\$ 102.36	
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 69.26	\$ 53.81	\$ 59.99	0.0%	-6.6%	0.0%	27.9%	32.7%	\$ 93.59	\$ 101.11	
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 19.08	\$ 20.54	\$ 19.96	1.9%	-1.0%	0.0%	7.4%	9.4%	\$ 23.38	\$ 24.29	
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 32.31	\$ 23.90	\$ 27.26	0.0%	-8.9%	0.0%	26.4%	31.0%	\$ 40.47	\$ 43.62	
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 44.91	\$ 52.51	\$ 49.47	2.8%	-7.3%	0.0%	5.4%	7.4%	\$ 52.66	\$ 54.76	
Gulf	SBH - Other	SBH - Other, All Ages	\$ 137.77	\$ 155.65	\$ 148.49	0.2%	-6.2%	0.0%	6.6%	8.6%	\$ 159.40	\$ 165.70	
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -	
Capital	SSI	Newborn, 0-2 Months	\$ 10.28	\$ -	\$ 4.11	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 6.99	\$ 7.57	
Capital	SSI	Newborn, 3-11 Months	\$ 0.05	\$ 8.20	\$ 4.94	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 8.39	\$ 9.08	
Capital	SSI	Child, 1-20 Years	\$ 71.51	\$ 77.27	\$ 74.97	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 127.44	\$ 137.94	
Capital	SSI	Adult, 21+ Years	\$ 70.64	\$ 70.65	\$ 70.64	2.6%	0.0%	0.0%	4.0%	6.0%	\$ 79.08	\$ 82.28	
Capital	Family and Children	Newborn, 0-2 Months	\$ 0.17	\$ 1.25	\$ 0.82	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 1.39	\$ 1.50	
Capital	Family and Children	Newborn, 3-11 Months	\$ 0.19	\$ 0.42	\$ 0.33	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.56	\$ 0.61	
Capital	Family and Children	Child, 1-20 Years	\$ 17.89	\$ 17.17	\$ 17.46	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 29.68	\$ 32.13	
Capital	Family and Children	Adult, 21+ Years	\$ 17.67	\$ 20.40	\$ 19.31	2.0%	0.0%	0.0%	4.0%	6.0%	\$ 21.37	\$ 22.23	
Capital	Foster Care Children	Foster Care, All Ages Male & Female	\$ 119.38	\$ 163.25	\$ 145.70	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 247.66	\$ 268.08	
Capital	Breast and Cervical Cancer	BCC, All Ages Female	\$ 7.19	\$ 16.50	\$ 12.78	2.5%	0.0%	0.0%	4.0%	6.0%	\$ 14.59	\$ 15.18	
Capital	LaCHIP - Affordable Plan	All Ages	\$ 12.46	\$ 16.27	\$ 14.74	0.0%	0.0%	0.0%	4.0%	6.0%	\$ 25.15	\$ 27.23	
Capital	HCBBS Waiver	20 & Under, Male and Female	\$ 28.61	\$ 39.07	\$ 34.88	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 59.29	\$ 64.18	
Capital	HCBBS Waiver	21+ Years, Male and Female	\$ 56.84	\$ 43.40	\$ 48.77	3.1%	0.0%	0.0%	4.0%	6.0%	\$ 54.56	\$ 56.77	
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 71.68	\$ 56.83	\$ 62.77	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 106.72	\$ 115.52	
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 78.28	\$ 64.27	\$ 69.87	0.0%	-6.9%	0.0%	27.5%	32.3%	\$ 107.97	\$ 116.58	
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 14.07	\$ 16.03	\$ 15.25	1.2%	-5.7%	0.0%	11.1%	13.1%	\$ 18.12	\$ 18.81	
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 35.33	\$ 45.14	\$ 41.22	0.0%	-5.4%	0.0%	26.1%	30.7%	\$ 63.26	\$ 68.14	
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 71.43	\$ 59.79	\$ 64.45	2.4%	-6.7%	0.0%	5.6%	7.6%	\$ 68.88	\$ 71.62	
Capital	SBH - Other	SBH - Other, All Ages	\$ 121.85	\$ 96.67	\$ 106.74	0.3%	-6.6%	0.0%	5.8%	7.8%	\$ 112.32	\$ 116.79	
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -	

Notes:
 NEMT services are included for SBH Program
 $J = B * (1 + C) * (1 + D) * (1 + E) * (1 + F) * (1 + G) * (1 + H) * (1 + I)$
 $T = L * (1 + M) * (1 + N) * (1 + O) * (1 + P) * (1 + S)$
 $U = 40\% * J + 60\% * T$
 $AA = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (25/12)$
 $AB = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (25/12)$

Appendix I: Specialized Behavioral Health Projected Claims PMPM Development

Table 2: SBH Prospective Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	Prospective Adjustments									
			J	T	U	V	W	X	Y	Z	AA	AB
			CY2013 PMPM After Historical Adj	CY2014 PMPM After Historical Adj	Blended PMPM	1915 Adj	Mixed Services Protocol Adj	Retro Adj	Low Trend	High Trend	Projected PMPM -- Low	Projected PMPM -- High
South Central	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -
South Central	SSI	Newborn, 3-11 Months	\$ 3.86	\$ 0.08	\$ 1.59	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 2.71	\$ 2.93
South Central	SSI	Child, 1-20 Years	\$ 82.57	\$ 75.57	\$ 78.37	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 133.22	\$ 144.20
South Central	SSI	Adult, 21+ Years	\$ 76.39	\$ 68.89	\$ 71.89	1.8%	0.0%	0.0%	4.0%	6.0%	\$ 79.82	\$ 83.05
South Central	Family and Children	Newborn, 0-2 Months	\$ 0.01	\$ 0.71	\$ 0.43	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.74	\$ 0.80
South Central	Family and Children	Newborn, 3-11 Months	\$ 0.05	\$ 0.28	\$ 0.19	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.32	\$ 0.34
South Central	Family and Children	Child, 1-20 Years	\$ 14.55	\$ 14.19	\$ 14.33	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 24.36	\$ 26.37
South Central	Family and Children	Adult, 21+ Years	\$ 18.49	\$ 19.58	\$ 19.14	1.9%	0.0%	0.0%	4.0%	6.0%	\$ 21.16	\$ 22.01
South Central	Foster Care Children	Foster Care, All Ages Male & Female	\$ 133.46	\$ 100.73	\$ 113.82	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 193.48	\$ 209.43
South Central	Breast and Cervical Cancer	BCC, All Ages Female	\$ 2.22	\$ 5.57	\$ 4.23	3.4%	0.0%	0.0%	4.0%	6.0%	\$ 4.87	\$ 5.06
South Central	LaCHIP Affordable Plan	All Ages	\$ 7.90	\$ 7.11	\$ 7.43	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 12.67	\$ 13.72
South Central	HCBS Waiver	20 & Under, Male and Female	\$ 42.29	\$ 23.75	\$ 31.17	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 52.98	\$ 57.35
South Central	HCBS Waiver	21+ Years, Male and Female	\$ 44.96	\$ 41.54	\$ 42.91	1.5%	0.0%	0.0%	4.0%	6.0%	\$ 47.28	\$ 49.20
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 105.97	\$ 109.45	\$ 108.05	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 183.71	\$ 198.86
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 115.62	\$ 117.55	\$ 116.78	0.0%	-6.4%	0.0%	27.3%	32.1%	\$ 180.80	\$ 195.14
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 12.88	\$ 12.36	\$ 12.57	1.1%	-1.6%	0.0%	9.4%	11.4%	\$ 15.08	\$ 15.66
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 54.29	\$ 32.62	\$ 41.29	0.0%	-8.3%	0.0%	24.2%	28.5%	\$ 59.47	\$ 63.82
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 68.62	\$ 58.41	\$ 62.49	1.0%	-8.0%	0.0%	6.1%	8.1%	\$ 66.70	\$ 68.30
South Central	SBH - Other	SBH - Other, All Ages	\$ 208.53	\$ 174.30	\$ 187.99	0.3%	-6.2%	0.0%	6.1%	8.1%	\$ 200.14	\$ 208.08
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -
North	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -
North	SSI	Newborn, 3-11 Months	\$ 0.02	\$ 0.09	\$ 0.06	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.11	\$ 0.12
North	SSI	Child, 1-20 Years	\$ 140.35	\$ 121.15	\$ 128.83	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 218.98	\$ 237.04
North	SSI	Adult, 21+ Years	\$ 53.08	\$ 55.41	\$ 54.48	3.1%	0.0%	0.0%	4.0%	6.0%	\$ 61.25	\$ 63.73
North	Family and Children	Newborn, 0-2 Months	\$ 0.02	\$ 0.01	\$ 0.01	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.02	\$ 0.02
North	Family and Children	Newborn, 3-11 Months	\$ 0.01	\$ 0.19	\$ 0.12	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 0.20	\$ 0.22
North	Family and Children	Child, 1-20 Years	\$ 22.30	\$ 24.40	\$ 23.56	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 40.05	\$ 43.35
North	Family and Children	Adult, 21+ Years	\$ 16.98	\$ 18.83	\$ 18.09	3.5%	0.0%	0.0%	4.0%	6.0%	\$ 20.32	\$ 21.14
North	Foster Care Children	Foster Care, All Ages Male & Female	\$ 376.24	\$ 262.89	\$ 308.23	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 523.93	\$ 567.13
North	Breast and Cervical Cancer	BCC, All Ages Female	\$ 37.14	\$ 12.39	\$ 22.29	2.4%	0.0%	0.0%	4.0%	6.0%	\$ 25.41	\$ 26.44
North	LaCHIP Affordable Plan	All Ages	\$ 10.51	\$ 21.00	\$ 16.81	0.0%	0.0%	0.0%	4.0%	6.0%	\$ 28.67	\$ 31.03
North	HCBS Waiver	20 & Under, Male and Female	\$ 81.10	\$ 45.77	\$ 59.90	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 101.82	\$ 110.22
North	HCBS Waiver	21+ Years, Male and Female	\$ 43.36	\$ 40.34	\$ 41.55	4.6%	0.0%	0.0%	4.0%	6.0%	\$ 47.14	\$ 49.05
North	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 108.48	\$ 105.70	\$ 106.81	0.0%	0.0%	0.0%	29.0%	34.0%	\$ 181.60	\$ 196.57
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 111.73	\$ 107.64	\$ 109.28	0.0%	-0.2%	0.0%	28.5%	33.5%	\$ 183.95	\$ 198.96
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 12.52	\$ 14.50	\$ 13.71	1.6%	-1.9%	0.0%	9.9%	11.9%	\$ 16.63	\$ 17.27
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 89.03	\$ 52.20	\$ 66.93	0.0%	0.5%	0.0%	27.2%	31.9%	\$ 110.97	\$ 119.74
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 65.90	\$ 58.00	\$ 61.16	3.1%	-3.0%	0.0%	6.0%	8.0%	\$ 69.02	\$ 71.76
North	SBH - Other	SBH - Other, All Ages	\$ 122.79	\$ 109.22	\$ 114.64	0.2%	-2.2%	0.0%	6.5%	8.5%	\$ 128.01	\$ 133.07
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -	\$ -

Notes:
 NEMT services are included for SBH Program
 $J = B * (1 + C) * (1 + D) * (1 + E) * (1 + F) * (1 + G) * (1 + H) * (1 + I)$
 $T = L * (1 + M) * (1 + N) * (1 + O) * (1 + P) * (1 + S)$
 $U = 40\% * J + 60\% * T$
 $AA = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + 12)$
 $AB = U * (1 + V) * (1 + W) * (1 + X) * (1 + Y) * (1 + Z) * (1 + 12)$

Appendix J: NEMT Projected Claims PMPM Development (For SBH Program Only)

Table 1: Historical Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	A	B	C	D	E	F	G	H	I	J
			CY2013 MMs	CY2013 PMPM	Historical Trend	Recoupment Adj (F&A)	CY2013 PMPM After Adj	CY2014 MMs	CY2014 PMPM	Historical Trend	Recoupment Adj (F&A)	CY2014 PMPM After Adj
Gulf	SSI	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	SSI	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	SSI	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	SSI	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Family and Children	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Family and Children	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Family and Children	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Family and Children	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	LaCHIP Affordable Plan	All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	HCBS Waiver	20 & Under, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	HCBS Waiver	21+ Years, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	16,354	2.84	11.00%	-0.43%	\$ 3.13	17,167	\$ 3.79		-0.27%	\$ 3.78
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	304,778	5.59	16.00%	-0.20%	\$ 6.47	299,337	\$ 5.66		-0.14%	\$ 5.66
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,958	4.99	11.00%	-0.53%	\$ 5.51	7,178	\$ 2.39		-0.31%	\$ 2.38
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	13,356	11.89	11.00%	-0.54%	\$ 13.13	13,626	\$ 9.44		-0.34%	\$ 9.40
Gulf	SBH - Other	SBH - Other, All Ages	6,844	46.91	11.00%	-0.59%	\$ 51.77	7,536	\$ 63.31		-0.40%	\$ 63.06
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	SSI	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	SSI	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	SSI	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	SSI	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Family and Children	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Family and Children	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Family and Children	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Family and Children	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Foster Care Children	Foster Care, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Breast and Cervical Cancer	BCC, All Ages Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	LaCHIP Affordable Plan	All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	HCBS Waiver	20 & Under, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	HCBS Waiver	21+ Years, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	16,137	5.28	11.00%	-0.44%	\$ 5.83	17,176	\$ 5.15		-0.25%	\$ 5.14
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	245,750	7.57	16.00%	-0.20%	\$ 8.76	239,197	\$ 9.51		-0.12%	\$ 9.49
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	8,312	6.09	11.00%	-0.47%	\$ 6.72	7,499	\$ 6.09		-0.33%	\$ 6.07
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	12,207	13.21	11.00%	-0.50%	\$ 14.59	12,294	\$ 16.44		-0.29%	\$ 16.39
Capital	SBH - Other	SBH - Other, All Ages	8,284	30.86	11.00%	-0.58%	\$ 34.05	8,412	\$ 25.21		-0.40%	\$ 25.11
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$

Notes:

$$E = B * (1 + C) * (1 + D)$$

$$J = G * (1 + I)$$

$$K = 40\% * E + 60\% * J$$

$$O = K * ((1 + M)^{25/12})$$

$$P = K * ((1 + N)^{25/12})$$

Appendix J: NEMT Projected Claims PMPM Development (For SBH Program Only)

Table 1: Historical Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	A	B	C	D	E	F	G	H	I	J
			CY2013 MMs	CY2013 PMPM	Historical Trend	Recoupment Adj (F&A)	CY2013 PMPM After Adj	CY2014 MMs	CY2014 PMPM	Historical Trend	Recoupment Adj (F&A)	CY2014 PMPM After Adj
South Central	SSI	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	SSI	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	SSI	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	SSI	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Family and Children	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Family and Children	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Family and Children	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Family and Children	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Foster Care Children	Foster Care, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Breast and Cervical Cancer	BCC, All Ages Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	LaCHIP Affordable Plan	All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	HCBS Waiver	20 & Under, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	HCBS Waiver	21+ Years, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,361	9.80	11.00%	-0.38%	\$ 10.83	18,709	\$ 10.13		-0.22%	\$ 10.11
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	328,533	5.20	16.00%	-0.31%	\$ 6.02	323,040	\$ 6.01		-0.17%	\$ 6.00
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,448	10.86	11.00%	-0.52%	\$ 11.99	6,786	\$ 8.90		-0.34%	\$ 8.87
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	14,510	21.44	11.00%	-0.55%	\$ 23.66	14,109	\$ 16.93		-0.36%	\$ 16.87
South Central	SBH - Other	SBH - Other, All Ages	10,261	45.56	11.00%	-0.59%	\$ 50.27	10,727	\$ 68.84		-0.40%	\$ 68.56
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	SSI	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	SSI	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	SSI	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	SSI	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Family and Children	Newborn, 0-2 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Family and Children	Newborn, 3-11 Months	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Family and Children	Child, 1-20 Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Family and Children	Adult, 21+ Years	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Foster Care Children	Foster Care, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Breast and Cervical Cancer	BCC, All Ages Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	LaCHIP Affordable Plan	All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	HCBS Waiver	20 & Under, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	HCBS Waiver	21+ Years, Male and Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	Chisholm Class Members	Chisholm, All Ages Male & Female	-	-	0.00%	0.00%	\$	-	-		0.00%	\$
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,290	2.67	11.00%	-0.28%	\$ 2.96	17,129	\$ 2.97		-0.17%	\$ 2.97
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	288,049	5.90	16.00%	-0.22%	\$ 6.83	286,152	\$ 7.30		-0.13%	\$ 7.29
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	4,875	7.18	11.00%	-0.47%	\$ 7.93	4,318	\$ 6.45		-0.33%	\$ 6.43
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	11,273	20.41	11.00%	-0.51%	\$ 22.54	11,256	\$ 17.72		-0.34%	\$ 17.66
North	SBH - Other	SBH - Other, All Ages	9,400	39.73	11.00%	-0.58%	\$ 43.84	9,527	\$ 46.43		-0.40%	\$ 46.25
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	-	-	0.00%	0.00%	\$	-	-		0.00%	\$

Notes:

$$E = B * (1 + C) * (1 + D)$$

$$J = G * (1 + I)$$

$$K = 40\% * E + 60\% * J$$

$$O = K * ((1 + M)^{25/12})$$

$$P = K * ((1 + N)^{25/12})$$

Appendix J: NEMT Projected Claims PMPM Development (For SBH Program Only)

Table 2: Prospective Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	E	J	K	L	M	N	O	P
			CY2013 PMPM After Historical Adj	CY2014 PMPM After Historical Adj	Blended PMPM	Prospective Adj	Low Trend	High Trend	Projected PMPM -- Low	Projected PMPM -- High
Gulf	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	SSI	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	SSI	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	SSI	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Family and Children	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Family and Children	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Family and Children	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Family and Children	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	LaCHIP Affordable Plan	All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	HCBS Waiver	20 & Under, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	HCBS Waiver	21+ Years, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 3.13	\$ 3.78	\$ 3.52		11.00%	11.00%	\$ 4.38	\$ 4.38
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 6.47	\$ 5.66	\$ 5.98		16.00%	16.00%	\$ 8.15	\$ 8.15
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 5.51	\$ 2.38	\$ 3.63		11.00%	11.00%	\$ 4.52	\$ 4.52
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 13.13	\$ 9.40	\$ 10.89		11.00%	11.00%	\$ 13.54	\$ 13.54
Gulf	SBH - Other	SBH - Other, All Ages	\$ 51.77	\$ 63.06	\$ 58.54		11.00%	11.00%	\$ 72.76	\$ 72.76
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	SSI	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	SSI	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	SSI	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Family and Children	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Family and Children	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Family and Children	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Family and Children	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Foster Care Children	Foster Care, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Breast and Cervical Cancer	BCC, All Ages Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	LaCHIP Affordable Plan	All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	HCBS Waiver	20 & Under, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	HCBS Waiver	21+ Years, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 5.83	\$ 5.14	\$ 5.42		11.00%	11.00%	\$ 6.73	\$ 6.73
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 8.76	\$ 9.49	\$ 9.20		16.00%	16.00%	\$ 12.53	\$ 12.53
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 6.72	\$ 6.07	\$ 6.33		11.00%	11.00%	\$ 7.87	\$ 7.87
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 14.59	\$ 16.39	\$ 15.67		11.00%	11.00%	\$ 19.48	\$ 19.48
Capital	SBH - Other	SBH - Other, All Ages	\$ 34.05	\$ 25.11	\$ 28.69		11.00%	11.00%	\$ 35.66	\$ 35.66
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -

Notes:

$$E = B * (1 + C) * (1 + D)$$

$$J = G * (1 + I)$$

$$K = 40\% * E + 60\% * J$$

$$O = K * ((1 + M)^{25/12})$$

$$P = K * ((1 + N)^{25/12})$$

Appendix J: NEMT Projected Claims PMPM Development (For SBH Program Only)

Table 2: Prospective Rating Adjustments

Region Name	COA Desc	Rate Cell Desc	E CY2013 PMPM After Historical Adj	J CY2014 PMPM After Historical Adj	K Blended PMPM	L Prospective Adj	M Low Trend	N High Trend	O Projected PMPM -- Low	P Projected PMPM -- High
South Central	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	SSI	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	SSI	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	SSI	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Family and Children	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Family and Children	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Family and Children	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Family and Children	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Foster Care Children	Foster Care, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Breast and Cervical Cancer	BCC, All Ages Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	LaCHIP Affordable Plan	All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	HCBS Waiver	20 & Under, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	HCBS Waiver	21+ Years, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 10.83	\$ 10.11	\$ 10.40		11.00%	11.00%	\$ 12.93	\$ 12.93
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 6.02	\$ 6.00	\$ 6.00		16.00%	16.00%	\$ 8.18	\$ 8.18
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 11.99	\$ 8.87	\$ 10.12		11.00%	11.00%	\$ 12.57	\$ 12.57
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 23.66	\$ 16.87	\$ 19.58		11.00%	11.00%	\$ 24.34	\$ 24.34
South Central	SBH - Other	SBH - Other, All Ages	\$ 50.27	\$ 68.56	\$ 61.24		11.00%	11.00%	\$ 76.12	\$ 76.12
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	SSI	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	SSI	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	SSI	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	SSI	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Family and Children	Newborn, 0-2 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Family and Children	Newborn, 3-11 Months	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Family and Children	Child, 1-20 Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Family and Children	Adult, 21+ Years	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Foster Care Children	Foster Care, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Breast and Cervical Cancer	BCC, All Ages Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	LaCHIP Affordable Plan	All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	HCBS Waiver	20 & Under, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	HCBS Waiver	21+ Years, Male and Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 2.96	\$ 2.97	\$ 2.96		11.00%	11.00%	\$ 3.68	\$ 3.68
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 6.83	\$ 7.29	\$ 7.11		16.00%	16.00%	\$ 9.68	\$ 9.68
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 7.93	\$ 6.43	\$ 7.03		11.00%	11.00%	\$ 8.74	\$ 8.74
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 22.54	\$ 17.66	\$ 19.61		11.00%	11.00%	\$ 24.38	\$ 24.38
North	SBH - Other	SBH - Other, All Ages	\$ 43.84	\$ 46.25	\$ 45.29		11.00%	11.00%	\$ 56.29	\$ 56.29
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ -	\$ -	\$ -		0.00%	0.00%	\$ -	\$ -

Notes:

$$E = B * (1 + C) * (1 + D)$$

$$J = G * (1 + I)$$

$$K = 40\% * E + 60\% * J$$

$$O = K * ((1 + M)^{25/12})$$

$$P = K * ((1 + N)^{25/12})$$

Appendix K: Combined Rate Development

Table 1: Final Projected Claims PMPM Development

Region Name	COA Desc	Rate Cell Desc	A				PH (Appendix H)				Projected Claims PMPM				Final Projected Claims PMPM ²				
			B		C		D		E		F		G		H		I		J
			CY2014 MMs		Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM	Credibility ¹	Low PMPM	High PMPM		
Gulf	SSI	Newborn, 0-2 Months	499	\$ 22,585.36	\$ 23,244.60	\$	\$	-	\$	-	\$	\$ 22,585.36	\$ 23,244.60	0%	\$ 18,056.38	\$ 18,636.79	\$ 18,636.79		
Gulf	SSI	Newborn, 3-11 Months	2,016	\$ 5,800.06	\$ 5,963.75	\$	\$	1.62	\$	1.75	\$	\$ 5,801.68	\$ 5,965.50	0%	\$ 4,682.47	\$ 4,829.35	\$ 4,829.35		
Gulf	SSI	Child, 1-20 Years	140,382	\$ 366.77	\$ 383.04	\$	\$	163.38	\$	176.85	\$	\$ 367.00	\$ 383.04	100%	\$ 530.15	\$ 559.89	\$ 559.89		
Gulf	SSI	Adult, 21+ Years	268,331	\$ 806.80	\$ 838.98	\$	\$	95.28	\$	99.14	\$	\$ 802.09	\$ 838.98	100%	\$ 902.09	\$ 938.12	\$ 938.12		
Gulf	Family and Children	Newborn, 0-2 Months	48,751	\$ 1,110.28	\$ 1,154.21	\$	\$	0.10	\$	0.11	\$	\$ 1,110.38	\$ 1,154.32	100%	\$ 1,110.38	\$ 1,154.32	\$ 1,154.32		
Gulf	Family and Children	Newborn, 3-11 Months	108,391	\$ 192.20	\$ 201.81	\$	\$	0.11	\$	0.12	\$	\$ 192.32	\$ 201.93	100%	\$ 192.32	\$ 201.93	\$ 201.93		
Gulf	Family and Children	Child, 1-20 Years	2,120,899	\$ 84.38	\$ 88.85	\$	\$	30.71	\$	33.25	\$	\$ 115.10	\$ 122.10	100%	\$ 115.10	\$ 122.10	\$ 122.10		
Gulf	Family and Children	Adult, 21+ Years	388,455	\$ 213.16	\$ 224.92	\$	\$	19.55	\$	20.35	\$	\$ 232.72	\$ 245.26	100%	\$ 232.72	\$ 245.26	\$ 245.26		
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	23,352	\$ 155.78	\$ 163.39	\$	\$	207.95	\$	225.10	\$	\$ 363.73	\$ 388.49	0%	\$ 441.56	\$ 472.02	\$ 472.02		
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	3,937	\$ 1,425.04	\$ 1,493.62	\$	\$	8.95	\$	9.32	\$	\$ 1,433.99	\$ 1,502.94	0%	\$ 1,531.34	\$ 1,600.99	\$ 1,600.99		
Gulf	LaCHIP Affordable Plan	All Ages	10,244	\$ 118.75	\$ 125.40	\$	\$	15.10	\$	16.35	\$	\$ 133.85	\$ 141.75	0%	\$ 141.71	\$ 149.91	\$ 149.91		
Gulf	HCBS Waiver	20 & Under, Male and Female	7,178	\$ 1,019.46	\$ 1,094.63	\$	\$	40.18	\$	43.49	\$	\$ 1,059.64	\$ 1,138.12	0%	\$ 1,570.53	\$ 1,686.28	\$ 1,686.28		
Gulf	HCBS Waiver	21+ Years, Male and Female	13,626	\$ 731.96	\$ 775.17	\$	\$	43.32	\$	45.08	\$	\$ 775.28	\$ 820.25	0%	\$ 835.64	\$ 885.32	\$ 885.32		
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	16,983	\$ 738.55	\$ 797.45	\$	\$	94.56	\$	102.36	\$	\$ 833.11	\$ 898.81	0%	\$ 958.40	\$ 1,034.39	\$ 1,034.39		
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,167	\$ -	\$ -	\$	\$	93.59	\$	101.11	\$	\$ 93.59	\$ 101.11	0%	\$ 142.41	\$ 153.85	\$ 153.85		
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	299,337	\$ -	\$ -	\$	\$	24.29	\$	24.29	\$	\$ 23.38	\$ 24.29	100%	\$ 23.38	\$ 24.29	\$ 24.29		
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,178	\$ -	\$ -	\$	\$	40.47	\$	43.62	\$	\$ 40.47	\$ 43.62	0%	\$ 63.91	\$ 68.82	\$ 68.82		
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	13,626	\$ -	\$ -	\$	\$	52.96	\$	54.76	\$	\$ 52.96	\$ 54.76	0%	\$ 63.72	\$ 66.26	\$ 66.26		
Gulf	SBH - Other	SBH - Other, All Ages	7,536	\$ -	\$ -	\$	\$	159.40	\$	165.70	\$	\$ 159.40	\$ 165.70	0%	\$ 152.27	\$ 158.30	\$ 158.30		
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	10,549	\$ 5,567.00	\$ 5,688.39	\$	\$	-	\$	-	\$	\$ 5,567.00	\$ 5,688.39	100%	\$ 5,567.00	\$ 5,688.39	\$ 5,688.39		
Capital	SSI	Newborn, 0-2 Months	384	\$ 18,442.71	\$ 19,098.27	\$	\$	6.99	\$	7.57	\$	\$ 18,449.70	\$ 19,105.84	0%	\$ 18,056.38	\$ 18,636.79	\$ 18,636.79		
Capital	SSI	Newborn, 3-11 Months	1,488	\$ 6,364.11	\$ 6,563.86	\$	\$	8.39	\$	9.08	\$	\$ 6,372.50	\$ 6,572.94	0%	\$ 4,682.47	\$ 4,829.35	\$ 4,829.35		
Capital	SSI	Child, 1-20 Years	104,301	\$ 433.71	\$ 454.49	\$	\$	127.44	\$	137.94	\$	\$ 561.15	\$ 592.43	100%	\$ 561.15	\$ 592.43	\$ 592.43		
Capital	Family and Children	Adult, 21+ Years	195,553	\$ 925.00	\$ 962.17	\$	\$	79.08	\$	82.98	\$	\$ 1,004.08	\$ 1,044.45	100%	\$ 1,004.08	\$ 1,044.45	\$ 1,044.45		
Capital	Family and Children	Newborn, 0-2 Months	42,461	\$ 1,191.75	\$ 1,236.68	\$	\$	1.39	\$	1.51	\$	\$ 1,193.14	\$ 1,238.19	100%	\$ 1,193.14	\$ 1,238.19	\$ 1,238.19		
Capital	Family and Children	Newborn, 3-11 Months	96,528	\$ 187.94	\$ 197.70	\$	\$	0.56	\$	0.61	\$	\$ 188.50	\$ 198.31	100%	\$ 188.50	\$ 198.31	\$ 198.31		
Capital	Family and Children	Child, 1-20 Years	1,914,036	\$ 93.05	\$ 98.02	\$	\$	29.68	\$	32.13	\$	\$ 122.74	\$ 130.15	100%	\$ 122.74	\$ 130.15	\$ 130.15		
Capital	Family and Children	Adult, 21+ Years	288,647	\$ 254.90	\$ 268.91	\$	\$	21.37	\$	22.23	\$	\$ 276.27	\$ 291.14	100%	\$ 276.27	\$ 291.14	\$ 291.14		
Capital	Foster Care Children	Foster Care, All Ages Male & Female	33,498	\$ 161.90	\$ 169.51	\$	\$	247.66	\$	268.08	\$	\$ 409.57	\$ 437.59	0%	\$ 441.56	\$ 472.02	\$ 472.02		
Capital	Breast and Cervical Cancer	BCC, All Ages Female	3,825	\$ 1,336.75	\$ 1,399.04	\$	\$	15.19	\$	15.73	\$	\$ 1,351.33	\$ 1,414.22	0%	\$ 1,531.34	\$ 1,600.99	\$ 1,600.99		
Capital	LaCHIP Affordable Plan	All Ages	10,876	\$ 145.11	\$ 152.37	\$	\$	24.55	\$	25.23	\$	\$ 170.27	\$ 179.60	0%	\$ 141.71	\$ 149.91	\$ 149.91		
Capital	HCBS Waiver	20 & Under, Male and Female	7,489	\$ 1,416.59	\$ 1,519.96	\$	\$	59.29	\$	64.18	\$	\$ 1,475.88	\$ 1,584.15	0%	\$ 1,570.53	\$ 1,686.28	\$ 1,686.28		
Capital	HCBS Waiver	21+ Years, Male and Female	12,294	\$ 753.30	\$ 799.79	\$	\$	54.56	\$	56.77	\$	\$ 807.87	\$ 856.56	0%	\$ 835.64	\$ 885.32	\$ 885.32		
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	17,068	\$ 919.01	\$ 992.08	\$	\$	106.72	\$	115.52	\$	\$ 1,025.73	\$ 1,107.60	0%	\$ 958.40	\$ 1,034.39	\$ 1,034.39		
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,176	\$ -	\$ -	\$	\$	107.97	\$	115.58	\$	\$ 107.97	\$ 116.58	0%	\$ 142.41	\$ 153.85	\$ 153.85		
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	239,197	\$ -	\$ -	\$	\$	18.12	\$	18.81	\$	\$ 18.12	\$ 18.81	100%	\$ 18.12	\$ 18.81	\$ 18.81		
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	7,489	\$ -	\$ -	\$	\$	63.26	\$	68.14	\$	\$ 63.26	\$ 68.14	0%	\$ 63.91	\$ 68.82	\$ 68.82		
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	12,294	\$ -	\$ -	\$	\$	68.88	\$	71.62	\$	\$ 68.88	\$ 71.62	0%	\$ 63.72	\$ 66.26	\$ 66.26		
Capital	SBH - Other	SBH - Other, All Ages	8,412	\$ -	\$ -	\$	\$	112.32	\$	116.79	\$	\$ 112.32	\$ 116.79	0%	\$ 152.27	\$ 158.30	\$ 158.30		
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	9,280	\$ 4,901.44	\$ 5,008.31	\$	\$	-	\$	-	\$	\$ 4,901.44	\$ 5,008.31	100%	\$ 4,901.44	\$ 5,008.31	\$ 5,008.31		

Notes:

1- Rate Cells with a 0% are set on a statewide basis.

2- Claims PMPM adjusted for statewide rate cells.

3- FMP amounts include premium tax.

F = B + D

G = C + E

Q = (I * (1 + M) + K) / (1 - O - P)

R = (J * (1 + N) + L) / (1 - O - P)

V = S + T + U

W = Q + V

X = R + V

Appendix K: Combined Rate Development

Table 1: Final Projected Claims PMPM Development

Projected Claims PMPM										Final Projected Claims PMPM ²			
PH (Appendix H)				SBH (Appendices I)		PH & SBH Combined		Credibility ¹	H	I	J		
A		B		C		D						E	
Region Name	COA Desc	Rate Cell Desc	CY2014 MMs	Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM	Low PMPM	High PMPM
South Central	SSI	Newborn, 0-2 Months	466	\$ 16,364.30	\$ 16,880.89	\$ -	\$ -	\$ 16,364.30	\$ 16,880.89	\$ 18,056.38	\$ 18,636.79	\$ 4,682.47	\$ 4,829.35
South Central	SSI	Newborn, 3-11 Months	1,871	\$ 3,856.44	\$ 3,983.23	\$ 2.71	\$ 2.93	\$ 3,856.44	\$ 3,986.17	\$ 4,682.47	\$ 4,829.35	\$ 571.59	\$ 571.59
South Central	SSI	Child, 1-20 Years	108,433	\$ 408.43	\$ 427.38	\$ 133.22	\$ 144.20	\$ 408.43	\$ 427.38	\$ 541.65	\$ 571.59	\$ 865.95	\$ 900.26
South Central	SSI	Adult, 21+ Years	237,953	\$ 786.13	\$ 817.20	\$ 79.82	\$ 83.05	\$ 786.13	\$ 817.20	\$ 865.95	\$ 900.26	\$ 1,281.78	\$ 1,327.45
South Central	Family and Children	Newborn, 0-2 Months	46,634	\$ 1,261.04	\$ 1,326.65	\$ 0.74	\$ 0.80	\$ 1,261.04	\$ 1,327.45	\$ 1,281.78	\$ 1,327.45	\$ 1,281.78	\$ 1,327.45
South Central	Family and Children	Newborn, 3-11 Months	104,955	\$ 196.82	\$ 206.65	\$ 0.32	\$ 0.34	\$ 197.14	\$ 206.99	\$ 197.14	\$ 206.99	\$ 197.14	\$ 206.99
South Central	Family and Children	Child, 1-20 Years	2,083,138	\$ 95.98	\$ 100.98	\$ 24.36	\$ 26.37	\$ 120.34	\$ 127.35	\$ 120.34	\$ 127.35	\$ 120.34	\$ 127.35
South Central	Family and Children	Adult, 21+ Years	299,789	\$ 233.76	\$ 246.71	\$ 21.16	\$ 22.01	\$ 254.92	\$ 268.72	\$ 254.92	\$ 268.72	\$ 254.92	\$ 268.72
South Central	Foster Care Children	Foster Care, All Ages Male & Female	44,797	\$ 168.14	\$ 176.01	\$ 193.48	\$ 209.43	\$ 168.14	\$ 176.01	\$ 441.56	\$ 472.02	\$ 441.56	\$ 472.02
South Central	Breast and Cervical Cancer	BCC, All Ages Female	2,747	\$ 1,691.65	\$ 1,765.02	\$ 4.87	\$ 5.06	\$ 1,696.52	\$ 1,770.08	\$ 1,531.34	\$ 1,600.99	\$ 1,531.34	\$ 1,600.99
South Central	LaCHIP Affordable Plan	All Ages	12,678	\$ 100.03	\$ 105.55	\$ 12.67	\$ 13.72	\$ 112.71	\$ 119.27	\$ 141.71	\$ 149.91	\$ 141.71	\$ 149.91
South Central	HCBS Waiver	20 & Under, Male and Female	6,786	\$ 1,878.02	\$ 2,013.17	\$ 52.98	\$ 57.35	\$ 1,931.00	\$ 2,070.52	\$ 1,570.53	\$ 1,686.28	\$ 1,570.53	\$ 1,686.28
South Central	HCBS Waiver	21+ Years, Male and Female	14,109	\$ 849.20	\$ 901.07	\$ 47.28	\$ 49.20	\$ 896.48	\$ 950.27	\$ 835.64	\$ 886.32	\$ 835.64	\$ 886.32
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	18,278	\$ 890.07	\$ 957.48	\$ 183.71	\$ 198.86	\$ 1,073.78	\$ 1,156.34	\$ 958.40	\$ 1,034.39	\$ 958.40	\$ 1,034.39
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	18,709	\$ -	\$ -	\$ 180.80	\$ 195.14	\$ 180.80	\$ 195.14	\$ 142.41	\$ 153.85	\$ 142.41	\$ 153.85
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	323,040	\$ -	\$ -	\$ 15.08	\$ 15.66	\$ 15.08	\$ 15.66	\$ 15.08	\$ 15.66	\$ 15.08	\$ 15.66
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	6,786	\$ -	\$ -	\$ 59.47	\$ 63.82	\$ 59.47	\$ 63.82	\$ 63.91	\$ 68.82	\$ 63.91	\$ 68.82
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	14,109	\$ -	\$ -	\$ 65.70	\$ 68.30	\$ 65.70	\$ 68.30	\$ 63.72	\$ 66.26	\$ 63.72	\$ 66.26
South Central	SBH - Other	SBH - Other, All Ages	10,727	\$ -	\$ -	\$ 200.14	\$ 208.08	\$ 200.14	\$ 208.08	\$ 152.27	\$ 158.30	\$ 152.27	\$ 158.30
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	10,188	\$ 5,080.31	\$ 5,191.07	\$ -	\$ -	\$ 5,080.31	\$ 5,191.07	\$ 5,080.31	\$ 5,191.07	\$ 5,080.31	\$ 5,191.07
North	SSI	Newborn, 0-2 Months	442	\$ 14,364.50	\$ 14,878.51	\$ -	\$ -	\$ 14,364.50	\$ 14,878.51	\$ 18,056.38	\$ 18,636.79	\$ 4,682.47	\$ 4,829.35
North	SSI	Newborn, 3-11 Months	1,700	\$ 2,781.95	\$ 2,883.72	\$ 0.11	\$ 0.12	\$ 2,782.06	\$ 2,883.84	\$ 4,682.47	\$ 4,829.35	\$ 588.13	\$ 623.12
North	SSI	Child, 1-20 Years	119,014	\$ 369.15	\$ 386.08	\$ 218.98	\$ 237.04	\$ 369.15	\$ 386.08	\$ 588.13	\$ 623.12	\$ 791.64	\$ 822.38
North	SSI	Adult, 21+ Years	208,362	\$ 730.39	\$ 768.65	\$ 61.25	\$ 63.73	\$ 730.39	\$ 768.65	\$ 791.64	\$ 822.38	\$ 822.38	\$ 865.95
North	Family and Children	Newborn, 0-2 Months	35,265	\$ 1,238.21	\$ 1,283.84	\$ 0.02	\$ 0.02	\$ 1,238.23	\$ 1,283.87	\$ 1,238.23	\$ 1,283.87	\$ 1,238.23	\$ 1,283.87
North	Family and Children	Newborn, 3-11 Months	81,697	\$ 197.37	\$ 207.15	\$ 0.20	\$ 0.22	\$ 197.56	\$ 207.37	\$ 197.56	\$ 207.37	\$ 197.56	\$ 207.37
North	Family and Children	Child, 1-20 Years	1,639,346	\$ 84.03	\$ 88.43	\$ 40.05	\$ 43.35	\$ 84.03	\$ 88.43	\$ 124.07	\$ 131.77	\$ 124.07	\$ 131.77
North	Family and Children	Adult, 21+ Years	239,631	\$ 218.07	\$ 230.08	\$ 20.32	\$ 21.14	\$ 238.39	\$ 251.22	\$ 238.39	\$ 251.22	\$ 238.39	\$ 251.22
North	Foster Care Children	Foster Care, All Ages Male & Female	24,828	\$ 178.22	\$ 186.15	\$ 523.93	\$ 567.13	\$ 172.15	\$ 186.15	\$ 441.56	\$ 472.02	\$ 441.56	\$ 472.02
North	Breast and Cervical Cancer	BCC, All Ages Female	2,561	\$ 1,747.24	\$ 1,822.85	\$ 25.41	\$ 26.44	\$ 1,772.66	\$ 1,849.29	\$ 1,531.34	\$ 1,600.99	\$ 1,531.34	\$ 1,600.99
North	LaCHIP Affordable Plan	All Ages	6,372	\$ 134.66	\$ 142.26	\$ 28.67	\$ 31.03	\$ 163.33	\$ 173.29	\$ 141.71	\$ 149.91	\$ 141.71	\$ 149.91
North	HCBS Waiver	20 & Under, Male and Female	4,318	\$ 1,915.88	\$ 2,060.78	\$ 101.82	\$ 110.22	\$ 2,017.71	\$ 2,171.00	\$ 1,570.53	\$ 1,686.28	\$ 1,570.53	\$ 1,686.28
North	HCBS Waiver	21+ Years, Male and Female	11,256	\$ 815.61	\$ 865.05	\$ 47.14	\$ 49.05	\$ 862.75	\$ 914.11	\$ 835.64	\$ 886.32	\$ 835.64	\$ 886.32
North	Chisholm Class Members	Chisholm, All Ages Male & Female	16,846	\$ 709.71	\$ 767.00	\$ 181.60	\$ 196.57	\$ 891.31	\$ 963.57	\$ 958.40	\$ 1,034.39	\$ 958.40	\$ 1,034.39
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	17,129	\$ -	\$ -	\$ 183.95	\$ 198.96	\$ 183.95	\$ 198.96	\$ 142.41	\$ 153.85	\$ 142.41	\$ 153.85
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	256,152	\$ -	\$ -	\$ 16.63	\$ 17.27	\$ 16.63	\$ 17.27	\$ 16.63	\$ 17.27	\$ 16.63	\$ 17.27
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	4,318	\$ -	\$ -	\$ 110.97	\$ 119.74	\$ 110.97	\$ 119.74	\$ 63.91	\$ 68.82	\$ 63.91	\$ 68.82
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	11,256	\$ -	\$ -	\$ 69.02	\$ 71.76	\$ 69.02	\$ 71.76	\$ 63.72	\$ 66.26	\$ 63.72	\$ 66.26
North	SBH - Other	SBH - Other, All Ages	9,527	\$ -	\$ -	\$ 128.01	\$ 133.07	\$ 128.01	\$ 133.07	\$ 152.27	\$ 158.30	\$ 152.27	\$ 158.30
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	7,696	\$ 4,936.65	\$ 5,044.24	\$ -	\$ -	\$ 4,936.65	\$ 5,044.24	\$ 4,936.65	\$ 5,044.24	\$ 4,936.65	\$ 5,044.24

Notes:

1- Rate Cells with a 0% are set on a statewide basis.

2- Claims PMPM adjusted for statewide rate cells.

3- FMP amounts include premium tax.

F = B + D

G = C + E

Q = (1 * (1 + M) + K) / (1 - O - P)

R = (U * (1 + N) + L) / (1 - O - P)

V = S + T + U

W = Q + V

X = R + V

Appendix K: Combined Rate Development

Table 2a: Loaded Rate Development

Region Name	COA Desc	Rate Cell Desc	Final Projected Claims PMPM		Retention Load						Loaded Rates			
			I Low PMPM	J High PMPM	K		L Fixed Admin Load - High (PMPM)	M		N Variable Admin Load - High (%)	O UW Gain @ 2%	P Premium Tax @ 2.25%	R	
					Fixed Admin Load - Low (PMPM)	Variable Admin Load - Low (%)		Variable Admin Load - Low (%)	Q Low				High	
Gulf	SSI	Newborn, 0-2 Months	\$ 18,056.38	\$ 18,636.79	\$ 13.01	\$ 13.67	5.63%	5.62%	2.00%	2.25%	\$ 19,933.38	\$ 20,572.95		
Gulf	SSI	Newborn, 3-11 Months	\$ 4,682.47	\$ 4,829.35	\$ 13.01	\$ 13.67	5.23%	5.22%	2.00%	2.25%	\$ 5,159.48	\$ 5,321.09		
Gulf	SSI	Child, 1-20 Years	\$ 530.15	\$ 559.89	\$ 13.01	\$ 13.67	4.70%	4.71%	2.00%	2.25%	\$ 593.27	\$ 626.54		
Gulf	SSI	Adult, 21+ Years	\$ 902.09	\$ 938.12	\$ 13.01	\$ 13.67	4.30%	4.30%	2.00%	2.25%	\$ 996.18	\$ 1,036.19		
Gulf	Family and Children	Newborn, 0-2 Months	\$ 1,110.38	\$ 1,154.32	\$ 13.01	\$ 13.67	5.61%	5.60%	2.00%	2.25%	\$ 1,238.30	\$ 1,287.37		
Gulf	Family and Children	Newborn, 3-11 Months	\$ 192.32	\$ 201.93	\$ 13.01	\$ 13.67	5.07%	5.07%	2.00%	2.25%	\$ 224.63	\$ 235.86		
Gulf	Family and Children	Child, 1-20 Years	\$ 115.10	\$ 122.10	\$ 13.01	\$ 13.67	4.83%	4.83%	2.00%	2.25%	\$ 139.59	\$ 147.99		
Gulf	Family and Children	Adult, 21+ Years	\$ 232.72	\$ 245.26	\$ 13.01	\$ 13.67	4.64%	4.65%	2.00%	2.25%	\$ 267.92	\$ 282.35		
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	\$ 441.56	\$ 472.02	\$ 13.01	\$ 13.67	5.03%	5.05%	2.00%	2.25%	\$ 497.92	\$ 532.14		
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,531.34	\$ 1,600.99	\$ 13.01	\$ 13.67	4.85%	4.86%	2.00%	2.25%	\$ 1,690.46	\$ 1,767.57		
Gulf	LaCHIP Affordable Plan	All Ages	\$ 141.71	\$ 149.91	\$ 13.01	\$ 13.67	4.60%	4.60%	2.00%	2.25%	\$ 168.40	\$ 178.05		
Gulf	HCBS Waiver	20 & Under, Male and Female	\$ 1,570.53	\$ 1,686.28	\$ 13.01	\$ 13.67	4.95%	4.98%	2.00%	2.25%	\$ 1,734.98	\$ 1,863.06		
Gulf	HCBS Waiver	21+ Years, Male and Female	\$ 835.64	\$ 885.32	\$ 13.01	\$ 13.67	3.98%	4.04%	2.00%	2.25%	\$ 921.06	\$ 976.26		
Gulf	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 958.40	\$ 1,034.39	\$ 13.01	\$ 13.67	4.82%	4.87%	2.00%	2.25%	\$ 1,062.82	\$ 1,147.14		
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 142.41	\$ 153.85	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 167.40	\$ 170.00		
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 23.38	\$ 24.29	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 27.15	\$ 28.23		
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 63.91	\$ 68.82	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.50	\$ 76.95		
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 63.72	\$ 66.26	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.29	\$ 74.15		
Gulf	SBH - Other	SBH - Other, All Ages	\$ 152.27	\$ 158.30	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 168.19	\$ 174.88		
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,567.00	\$ 5,688.39	\$ -	\$ -	5.66%	5.65%	2.00%	2.25%	\$ 6,143.22	\$ 6,276.75		
Capital	SSI	Newborn, 0-2 Months	\$ 18,056.38	\$ 18,636.79	\$ 13.01	\$ 13.67	5.63%	5.62%	2.00%	2.25%	\$ 19,933.38	\$ 20,572.95		
Capital	SSI	Newborn, 3-11 Months	\$ 4,682.47	\$ 4,829.35	\$ 13.01	\$ 13.67	5.23%	5.22%	2.00%	2.25%	\$ 5,159.48	\$ 5,321.09		
Capital	SSI	Child, 1-20 Years	\$ 561.15	\$ 592.43	\$ 13.01	\$ 13.67	4.60%	4.61%	2.00%	2.25%	\$ 626.59	\$ 661.52		
Capital	SSI	Adult, 21+ Years	\$ 1,004.08	\$ 1,044.45	\$ 13.01	\$ 13.67	4.24%	4.25%	2.00%	2.25%	\$ 1,106.75	\$ 1,151.46		
Capital	Family and Children	Newborn, 0-2 Months	\$ 1,193.14	\$ 1,238.19	\$ 13.01	\$ 13.67	5.61%	5.60%	2.00%	2.25%	\$ 1,329.56	\$ 1,379.83		
Capital	Family and Children	Newborn, 3-11 Months	\$ 188.50	\$ 198.31	\$ 13.01	\$ 13.67	5.03%	5.03%	2.00%	2.25%	\$ 220.36	\$ 231.80		
Capital	Family and Children	Child, 1-20 Years	\$ 122.74	\$ 130.15	\$ 13.01	\$ 13.67	4.70%	4.71%	2.00%	2.25%	\$ 147.80	\$ 156.61		
Capital	Family and Children	Adult, 21+ Years	\$ 276.27	\$ 291.14	\$ 13.01	\$ 13.67	4.62%	4.63%	2.00%	2.25%	\$ 315.44	\$ 332.41		
Capital	Foster Care Children	Foster Care, All Ages Male & Female	\$ 441.56	\$ 472.02	\$ 13.01	\$ 13.67	5.03%	5.05%	2.00%	2.25%	\$ 497.92	\$ 532.14		
Capital	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,531.34	\$ 1,600.99	\$ 13.01	\$ 13.67	4.85%	4.86%	2.00%	2.25%	\$ 1,690.46	\$ 1,767.57		
Capital	LaCHIP Affordable Plan	All Ages	\$ 141.71	\$ 149.91	\$ 13.01	\$ 13.67	4.60%	4.60%	2.00%	2.25%	\$ 168.40	\$ 178.05		
Capital	HCBS Waiver	20 & Under, Male and Female	\$ 1,570.53	\$ 1,686.28	\$ 13.01	\$ 13.67	4.95%	4.98%	2.00%	2.25%	\$ 1,734.98	\$ 1,863.06		
Capital	HCBS Waiver	21+ Years, Male and Female	\$ 835.64	\$ 885.32	\$ 13.01	\$ 13.67	3.98%	4.04%	2.00%	2.25%	\$ 921.06	\$ 976.26		
Capital	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 958.40	\$ 1,034.39	\$ 13.01	\$ 13.67	4.82%	4.87%	2.00%	2.25%	\$ 1,062.82	\$ 1,147.14		
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 142.41	\$ 153.85	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 167.40	\$ 170.00		
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 18.12	\$ 18.81	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 21.40	\$ 22.23		
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 63.91	\$ 68.82	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.50	\$ 76.95		
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 63.72	\$ 66.26	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.29	\$ 74.15		
Capital	SBH - Other	SBH - Other, All Ages	\$ 152.27	\$ 158.30	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 168.19	\$ 174.88		
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,901.44	\$ 5,008.31	\$ -	\$ -	5.66%	5.65%	2.00%	2.25%	\$ 5,408.77	\$ 5,526.33		

Notes:

1- Rate Cells with a 0% are set on a statewide basis.

2- Claims PMPM adjusted for statewide rate cells.

3- FMP amounts include premium tax.

F = B + D

G = C + E

Q = (I * (1 + M) + K) / (1 - O - P)

R = (J * (1 + N) + L) / (1 - O - P)

V = S + T + U

W = Q + V

X = R + V

Appendix K: Combined Rate Development

Table 2a: Loaded Rate Development

Region Name	COA Desc	Rate Cell Desc	Final Projected Claims PMPM		Retention Load					Loaded Rates	
			I	J	K	L	M	N	O	P	R
			Low PMPM	High PMPM	Fixed Admin Load - Low (PMPM)	Fixed Admin Load - High (PMPM)	Variable Admin Load - Low (%)	Variable Admin Load - High (%)	UW Gain @ 2%	Premium Tax @ 2.25%	
South Central	SSI	Newborn, 0-2 Months	\$ 18,056.38	\$ 18,636.79	\$ 13.01	\$ 13.67	5.63%	5.62%	2.00%	2.25%	\$ 19,933.38
South Central	SSI	Newborn, 3-11 Months	\$ 4,682.47	\$ 4,829.35	\$ 13.01	\$ 13.67	5.23%	5.22%	2.00%	2.25%	\$ 5,159.48
South Central	SSI	Child, 1-20 Years	\$ 541.65	\$ 571.59	\$ 13.01	\$ 13.67	4.35%	4.37%	2.00%	2.25%	\$ 603.91
South Central	Family and Children	Adult, 21+ Years	\$ 865.95	\$ 900.26	\$ 13.01	\$ 13.67	4.30%	4.31%	2.00%	2.25%	\$ 956.89
South Central	Family and Children	Newborn, 0-2 Months	\$ 1,281.78	\$ 1,327.45	\$ 13.01	\$ 13.67	5.61%	5.60%	2.00%	2.25%	\$ 1,478.29
South Central	Family and Children	Newborn, 3-11 Months	\$ 197.14	\$ 206.99	\$ 13.01	\$ 13.67	5.00%	5.00%	2.00%	2.25%	\$ 229.78
South Central	Family and Children	Child, 1-20 Years	\$ 120.34	\$ 127.35	\$ 13.01	\$ 13.67	4.60%	4.61%	2.00%	2.25%	\$ 145.05
South Central	Family and Children	Adult, 21+ Years	\$ 254.92	\$ 268.72	\$ 13.01	\$ 13.67	4.69%	4.70%	2.00%	2.25%	\$ 292.30
South Central	Foster Care Children	Foster Care, All Ages Male & Female	\$ 441.56	\$ 472.02	\$ 13.01	\$ 13.67	5.03%	5.05%	2.00%	2.25%	\$ 497.92
South Central	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,531.34	\$ 1,600.99	\$ 13.01	\$ 13.67	4.85%	4.86%	2.00%	2.25%	\$ 1,690.46
South Central	LaCHIP Affordable Plan	All Ages	\$ 141.71	\$ 149.91	\$ 13.01	\$ 13.67	4.60%	4.60%	2.00%	2.25%	\$ 168.40
South Central	HCBS Waiver	20 & Under, Male and Female	\$ 1,570.53	\$ 1,666.28	\$ 13.01	\$ 13.67	4.95%	4.98%	2.00%	2.25%	\$ 1,734.98
South Central	HCBS Waiver	21+ Years, Male and Female	\$ 835.64	\$ 885.32	\$ 13.01	\$ 13.67	3.98%	4.04%	2.00%	2.25%	\$ 921.06
South Central	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 958.40	\$ 1,034.39	\$ 13.01	\$ 13.67	4.82%	4.87%	2.00%	2.25%	\$ 1,062.82
South Central	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 142.41	\$ 153.85	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 157.40
South Central	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 15.08	\$ 15.66	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 18.06
South Central	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 63.91	\$ 68.82	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.50
South Central	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 63.72	\$ 66.26	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.29
South Central	SBH - Other	SBH - Other, All Ages	\$ 152.27	\$ 158.30	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 168.19
South Central	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,080.31	\$ 5,191.07	\$ -	\$ -	5.66%	5.65%	2.00%	2.25%	\$ 5,606.16
North	SSI	Newborn, 0-2 Months	\$ 18,056.38	\$ 18,636.79	\$ 13.01	\$ 13.67	5.63%	5.62%	2.00%	2.25%	\$ 19,933.38
North	SSI	Newborn, 3-11 Months	\$ 4,682.47	\$ 4,829.35	\$ 13.01	\$ 13.67	5.23%	5.22%	2.00%	2.25%	\$ 5,159.48
North	SSI	Child, 1-20 Years	\$ 588.13	\$ 623.12	\$ 13.01	\$ 13.67	4.76%	4.77%	2.00%	2.25%	\$ 657.05
North	SSI	Adult, 21+ Years	\$ 791.64	\$ 822.38	\$ 13.01	\$ 13.67	4.36%	4.37%	2.00%	2.25%	\$ 876.44
North	Family and Children	Newborn, 0-2 Months	\$ 1,238.23	\$ 1,283.87	\$ 13.01	\$ 13.67	5.62%	5.61%	2.00%	2.25%	\$ 1,379.42
North	Family and Children	Newborn, 3-11 Months	\$ 197.56	\$ 207.37	\$ 13.01	\$ 13.67	5.07%	5.07%	2.00%	2.25%	\$ 230.38
North	Family and Children	Child, 1-20 Years	\$ 124.07	\$ 131.77	\$ 13.01	\$ 13.67	4.93%	4.94%	2.00%	2.25%	\$ 149.56
North	Family and Children	Adult, 21+ Years	\$ 238.39	\$ 251.22	\$ 13.01	\$ 13.67	4.77%	4.78%	2.00%	2.25%	\$ 274.45
North	Foster Care Children	Foster Care, All Ages Male & Female	\$ 441.56	\$ 472.02	\$ 13.01	\$ 13.67	5.03%	5.05%	2.00%	2.25%	\$ 497.92
North	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,531.34	\$ 1,600.99	\$ 13.01	\$ 13.67	4.85%	4.86%	2.00%	2.25%	\$ 1,690.46
North	LaCHIP Affordable Plan	All Ages	\$ 141.71	\$ 149.91	\$ 13.01	\$ 13.67	4.60%	4.60%	2.00%	2.25%	\$ 168.40
North	HCBS Waiver	20 & Under, Male and Female	\$ 1,570.53	\$ 1,666.28	\$ 13.01	\$ 13.67	4.95%	4.98%	2.00%	2.25%	\$ 1,734.98
North	HCBS Waiver	21+ Years, Male and Female	\$ 835.64	\$ 885.32	\$ 13.01	\$ 13.67	3.98%	4.04%	2.00%	2.25%	\$ 921.06
North	Chisholm Class Members	Chisholm, All Ages Male & Female	\$ 958.40	\$ 1,034.39	\$ 13.01	\$ 13.67	4.82%	4.87%	2.00%	2.25%	\$ 1,062.82
North	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 142.41	\$ 153.85	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 157.40
North	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 16.63	\$ 17.27	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 19.76
North	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 63.91	\$ 68.82	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.50
North	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 63.72	\$ 66.26	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 71.29
North	SBH - Other	SBH - Other, All Ages	\$ 152.27	\$ 158.30	\$ 1.50	\$ 1.58	4.77%	4.78%	2.00%	2.25%	\$ 168.19
North	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 4,936.65	\$ 5,044.24	\$ -	\$ -	5.66%	5.65%	2.00%	2.25%	\$ 5,447.63

Notes:

1- Rate Cells with a 0% are set on a statewide basis.

2- Claims PMPM adjusted for statewide rate cells.

3- FMP amounts include premium tax.

F = B + D

G = C + E

Q = (I * (1 + M) + K) / (1 - O - P)

R = (J * (1 + N) + L) / (1 - O - P)

V = S + T + U

W = Q + V

X = R + V

Appendix K: Combined Rate Development

Table 2b: Loaded Rates, inclusive of FMP

			Loaded Rates		Full Medicaid Pricing ³							2/1/2016 Rates w/ FMP	
Region Name	COA Desc	Rate Cell Desc	Q	R	S	T	U	V	W	X			
			Low	High	Hospital (P/OP) FMP PMPM	Ambulance FMP PMPM	Physician FMP PMPM	Total FMP PMPM	Low	High			
Gulf	SSI	Newborn, 0-2 Months	\$ 19,933.38	\$ 20,572.95	\$ 7,254.60	\$ 21.21	\$ 545.17	\$ 7,820.99	\$ 27,754.36	\$ 28,393.93			
Gulf	SSI	Newborn, 3-11 Months	\$ 5,159.48	\$ 5,321.09	\$ 1,999.21	\$ 8.37	\$ 83.10	\$ 2,090.68	\$ 7,250.16	\$ 7,411.77			
Gulf	SSI	Child, 1-20 Years	\$ 593.27	\$ 626.54	\$ 94.18	\$ 3.25	\$ 9.81	\$ 107.24	\$ 700.51	\$ 733.78			
Gulf	SSI	Adult, 21+ Years	\$ 996.18	\$ 1,036.19	\$ 206.33	\$ 12.93	\$ 25.49	\$ 244.75	\$ 1,240.93	\$ 1,280.94			
Gulf	Family and Children	Newborn, 0-2 Months	\$ 1,238.30	\$ 1,287.37	\$ 432.99	\$ 4.83	\$ 29.37	\$ 467.18	\$ 1,705.49	\$ 1,754.55			
Gulf	Family and Children	Newborn, 3-11 Months	\$ 224.63	\$ 235.86	\$ 39.96	\$ 1.12	\$ 6.83	\$ 47.91	\$ 272.54	\$ 283.77			
Gulf	Family and Children	Child, 1-20 Years	\$ 139.59	\$ 147.96	\$ 12.67	\$ 0.77	\$ 3.38	\$ 16.82	\$ 156.41	\$ 164.78			
Gulf	Family and Children	Adult, 21+ Years	\$ 267.92	\$ 282.35	\$ 42.98	\$ 3.72	\$ 8.78	\$ 55.48	\$ 323.40	\$ 337.82			
Gulf	Foster Care Children	Foster Care, All Ages Male & Female	\$ 497.92	\$ 532.14	\$ 14.70	\$ 1.27	\$ 4.18	\$ 20.15	\$ 518.08	\$ 552.29			
Gulf	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,690.46	\$ 1,767.57	\$ 523.68	\$ 3.23	\$ 45.47	\$ 572.38	\$ 2,262.84	\$ 2,339.95			
Gulf	LaCHIP Affordable Plan	All Ages	\$ 168.40	\$ 178.05	\$ 12.42	\$ 0.41	\$ 3.70	\$ 16.54	\$ 184.94	\$ 194.58			
Gulf	HCBS Waiver	20 & Under, Male and Female	\$ 1,734.98	\$ 1,863.06	\$ 85.72	\$ 3.29	\$ 11.38	\$ 100.39	\$ 1,835.37	\$ 1,963.45			
Gulf	HCBS Waiver	21+ Years, Male and Female	\$ 921.06	\$ 976.26	\$ 120.91	\$ 8.85	\$ 15.49	\$ 145.26	\$ 1,066.32	\$ 1,121.51			
Gulf	Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 1,062.82	\$ 1,147.14	\$ 74.98	\$ 2.80	\$ 8.71	\$ 86.49	\$ 1,149.31	\$ 1,233.62			
Gulf	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 157.40	\$ 170.00	\$ -	\$ -	\$ -	\$ -	\$ 157.40	\$ 170.00			
Gulf	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 27.15	\$ 28.23	\$ 0.71	\$ -	\$ 0.20	\$ 0.92	\$ 28.06	\$ 29.15			
Gulf	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 71.50	\$ 76.95	\$ 6.12	\$ -	\$ 0.10	\$ 6.22	\$ 77.72	\$ 83.18			
Gulf	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 71.29	\$ 74.15	\$ 13.33	\$ -	\$ 0.08	\$ 13.41	\$ 84.70	\$ 87.56			
Gulf	SBH - Other	SBH - Other, All Ages	\$ 168.19	\$ 174.88	\$ 62.60	\$ -	\$ 0.29	\$ 62.89	\$ 231.08	\$ 237.77			
Gulf	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 6,143.22	\$ 6,276.75	\$ 3,620.74	\$ -	\$ 517.26	\$ 4,038.00	\$ 10,181.22	\$ 10,314.75			
Capital	SSI	Newborn, 0-2 Months	\$ 19,933.38	\$ 20,572.95	\$ 7,254.60	\$ 21.21	\$ 545.17	\$ 7,820.99	\$ 27,754.36	\$ 28,393.93			
Capital	SSI	Newborn, 3-11 Months	\$ 5,159.48	\$ 5,321.09	\$ 1,999.21	\$ 8.37	\$ 83.10	\$ 2,090.68	\$ 7,250.16	\$ 7,411.77			
Capital	SSI	Child, 1-20 Years	\$ 626.59	\$ 661.52	\$ 94.18	\$ 3.25	\$ 9.81	\$ 107.24	\$ 700.51	\$ 733.78			
Capital	Family and Children	Adult, 21+ Years	\$ 1,106.75	\$ 1,151.46	\$ 206.33	\$ 12.93	\$ 25.49	\$ 244.75	\$ 1,240.93	\$ 1,280.94			
Capital	Family and Children	Newborn, 0-2 Months	\$ 1,329.56	\$ 1,379.83	\$ 432.99	\$ 4.83	\$ 29.37	\$ 467.18	\$ 1,705.49	\$ 1,754.55			
Capital	Family and Children	Newborn, 3-11 Months	\$ 220.36	\$ 231.80	\$ 39.96	\$ 1.12	\$ 6.83	\$ 47.91	\$ 272.54	\$ 283.77			
Capital	Family and Children	Child, 1-20 Years	\$ 147.80	\$ 156.61	\$ 12.67	\$ 0.77	\$ 3.38	\$ 16.82	\$ 156.41	\$ 164.78			
Capital	Family and Children	Adult, 21+ Years	\$ 315.44	\$ 332.41	\$ 42.98	\$ 3.72	\$ 8.78	\$ 55.48	\$ 323.40	\$ 337.82			
Capital	Foster Care Children	Foster Care, All Ages Male & Female	\$ 497.92	\$ 532.14	\$ 14.70	\$ 1.27	\$ 4.18	\$ 20.15	\$ 518.08	\$ 552.29			
Capital	Breast and Cervical Cancer	BCC, All Ages Female	\$ 1,690.46	\$ 1,767.57	\$ 523.68	\$ 3.23	\$ 45.47	\$ 572.38	\$ 2,262.84	\$ 2,339.95			
Capital	LaCHIP Affordable Plan	All Ages	\$ 168.40	\$ 178.05	\$ 12.42	\$ 0.41	\$ 3.70	\$ 16.54	\$ 184.94	\$ 194.58			
Capital	HCBS Waiver	20 & Under, Male and Female	\$ 1,734.98	\$ 1,863.06	\$ 85.72	\$ 3.29	\$ 11.38	\$ 100.39	\$ 1,835.37	\$ 1,963.45			
Capital	HCBS Waiver	21+ Years, Male and Female	\$ 921.06	\$ 976.26	\$ 120.91	\$ 8.85	\$ 15.49	\$ 145.26	\$ 1,066.32	\$ 1,121.51			
Capital	Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 1,062.82	\$ 1,147.14	\$ 74.98	\$ 2.80	\$ 8.71	\$ 86.49	\$ 1,149.31	\$ 1,233.62			
Capital	SBH - Chisholm Class Members	SBH - Chisholm, All Ages Male & Female	\$ 157.40	\$ 170.00	\$ -	\$ -	\$ -	\$ -	\$ 157.40	\$ 170.00			
Capital	SBH - Dual Eligible	SBH - Dual Eligible, All Ages	\$ 21.40	\$ 22.23	\$ 0.38	\$ -	\$ 0.03	\$ 0.41	\$ 21.80	\$ 22.64			
Capital	SBH - HCBS Waiver	SBH - 20 & Under, Male and Female	\$ 71.50	\$ 76.95	\$ 6.12	\$ -	\$ 0.10	\$ 6.22	\$ 77.72	\$ 83.18			
Capital	SBH - HCBS Waiver	SBH - 21+ Years, Male and Female	\$ 71.29	\$ 74.15	\$ 13.33	\$ -	\$ 0.08	\$ 13.41	\$ 84.70	\$ 87.56			
Capital	SBH - Other	SBH - Other, All Ages	\$ 168.19	\$ 174.88	\$ 62.60	\$ -	\$ 0.29	\$ 62.89	\$ 231.08	\$ 237.77			
Capital	Maternity Kickpayment	Maternity Kickpayment, All Ages	\$ 5,408.77	\$ 5,526.33	\$ 3,679.16	\$ -	\$ 620.95	\$ 4,300.11	\$ 9,708.88	\$ 9,826.44			

Notes:

1- Rate Cells with a 0% are set on a statewide basis.

2- Claims PMPM adjusted for statewide rate cells.

3- FMP amounts include premium tax.

F = B + D

G = C + E

Q = (I * (1 + M) + K) / (1 - O - P)

R = (J * (1 + N) + L) / (1 - O - P)

V = S + T + U

W = Q + V

X = R + V

Appendix K: Combined Rate Development

Table 2b: Loaded Rates, inclusive of FMP

Region Name		COA Desc	Rate Cell Desc	Loaded Rates		Full Medicaid Pricing ³						2/1/2016 Rates w/ FMP	
				Q	R	S	T	U	V	W	X		
				Low	High	Hospital (P/OP) FMP PMPM	Ambulance FMP PMPM	Physician FMP PMPM	Total FMP PMPM	Low	High		
South Central	SSI		Newborn, 0-2 Months	\$ 19,933.38	\$ 20,572.95	\$ 7,254.60	\$ 21.21	\$ 545.17	\$ 7,820.99	\$ 27,754.36	\$ 28,393.93		
South Central	SSI		Newborn, 3-11 Months	\$ 5,159.48	\$ 5,321.09	\$ 1,999.21	\$ 8.37	\$ 83.10	\$ 2,090.68	\$ 7,250.16	\$ 7,411.77		
South Central	SSI		Child, 1-20 Years	\$ 603.91	\$ 637.34	\$ 66.86	\$ 1.25	\$ 10.38	\$ 78.49	\$ 682.40	\$ 715.83		
South Central	SSI		Adult, 21+ Years	\$ 956.89	\$ 995.00	\$ 172.77	\$ 4.86	\$ 28.10	\$ 205.74	\$ 1,162.63	\$ 1,200.74		
South Central	Family and Children		Newborn, 0-2 Months	\$ 1,427.33	\$ 1,478.29	\$ 616.98	\$ 1.80	\$ 19.60	\$ 638.38	\$ 2,065.71	\$ 2,116.67		
South Central	Family and Children		Newborn, 3-11 Months	\$ 229.78	\$ 241.27	\$ 36.68	\$ 0.61	\$ 9.74	\$ 47.02	\$ 276.80	\$ 288.29		
South Central	Family and Children		Child, 1-20 Years	\$ 145.05	\$ 153.42	\$ 9.96	\$ 0.34	\$ 4.99	\$ 15.30	\$ 160.35	\$ 168.72		
South Central	Family and Children		Adult, 21+ Years	\$ 292.30	\$ 308.11	\$ 38.54	\$ 1.83	\$ 16.37	\$ 56.75	\$ 349.04	\$ 364.86		
South Central	Foster Care Children		Foster Care, All Ages Male & Female	\$ 497.92	\$ 532.14	\$ 14.70	\$ 1.27	\$ 4.18	\$ 20.15	\$ 518.08	\$ 552.29		
South Central	Breast and Cervical Cancer		BCC, All Ages Female	\$ 1,690.46	\$ 1,767.57	\$ 523.68	\$ 3.23	\$ 45.47	\$ 572.38	\$ 2,262.84	\$ 2,339.95		
South Central	LaCHIP Affordable Plan		All Ages	\$ 168.40	\$ 178.05	\$ 12.42	\$ 0.41	\$ 3.70	\$ 16.54	\$ 184.94	\$ 194.58		
South Central	HCBS Waiver		20 & Under, Male and Female	\$ 1,734.98	\$ 1,863.06	\$ 85.72	\$ 3.29	\$ 11.38	\$ 100.39	\$ 1,835.37	\$ 1,963.45		
South Central	HCBS Waiver		21+ Years, Male and Female	\$ 921.06	\$ 976.26	\$ 120.91	\$ 8.85	\$ 15.49	\$ 145.26	\$ 1,066.32	\$ 1,121.51		
South Central	Chisholm Class Members		Chisholm, All Ages Male & Female	\$ 1,062.82	\$ 1,147.14	\$ 74.98	\$ 2.80	\$ 8.71	\$ 86.49	\$ 1,149.31	\$ 1,233.62		
South Central	SBH - Chisholm Class Members		SBH - Chisholm, All Ages Male & Female	\$ 157.40	\$ 170.00	\$ -	\$ -	\$ -	\$ -	\$ 157.40	\$ 170.00		
South Central	SBH - Dual Eligible		SBH - Dual Eligible, All Ages	\$ 18.06	\$ 18.78	\$ 1.06	\$ -	\$ 0.00	\$ 1.06	\$ 19.12	\$ 19.84		
South Central	SBH - HCBS Waiver		SBH - 20 & Under, Male and Female	\$ 71.50	\$ 76.95	\$ 6.12	\$ -	\$ 0.10	\$ 6.22	\$ 77.72	\$ 83.18		
South Central	SBH - HCBS Waiver		SBH - 21+ Years, Male and Female	\$ 71.29	\$ 74.15	\$ 13.33	\$ -	\$ 0.08	\$ 13.41	\$ 84.70	\$ 87.56		
South Central	SBH - Other		SBH - Other, All Ages	\$ 168.19	\$ 174.88	\$ 62.60	\$ -	\$ 0.29	\$ 62.89	\$ 231.08	\$ 237.77		
South Central	Maternity Kickpayment		Maternity Kickpayment, All Ages	\$ 5,606.16	\$ 5,728.00	\$ 2,581.38	\$ -	\$ 207.00	\$ 2,788.38	\$ 8,394.53	\$ 8,516.38		
North	SSI		Newborn, 0-2 Months	\$ 19,933.38	\$ 20,572.95	\$ 7,254.60	\$ 21.21	\$ 545.17	\$ 7,820.99	\$ 27,754.36	\$ 28,393.93		
North	SSI		Newborn, 3-11 Months	\$ 5,159.48	\$ 5,321.09	\$ 1,999.21	\$ 8.37	\$ 83.10	\$ 2,090.68	\$ 7,250.16	\$ 7,411.77		
North	SSI		Child, 1-20 Years	\$ 603.91	\$ 637.34	\$ 66.86	\$ 1.25	\$ 10.38	\$ 78.49	\$ 682.40	\$ 715.83		
North	SSI		Adult, 21+ Years	\$ 956.89	\$ 995.00	\$ 172.77	\$ 4.86	\$ 28.10	\$ 205.74	\$ 1,162.63	\$ 1,200.74		
North	Family and Children		Newborn, 0-2 Months	\$ 1,427.33	\$ 1,478.29	\$ 616.98	\$ 1.80	\$ 19.60	\$ 638.38	\$ 2,065.71	\$ 2,116.67		
North	Family and Children		Newborn, 3-11 Months	\$ 229.78	\$ 241.27	\$ 36.68	\$ 0.61	\$ 9.74	\$ 47.02	\$ 276.80	\$ 288.29		
North	Family and Children		Child, 1-20 Years	\$ 145.05	\$ 153.42	\$ 9.96	\$ 0.34	\$ 4.99	\$ 15.30	\$ 160.35	\$ 168.72		
North	Family and Children		Adult, 21+ Years	\$ 292.30	\$ 308.11	\$ 38.54	\$ 1.83	\$ 16.37	\$ 56.75	\$ 349.04	\$ 364.86		
North	Foster Care Children		Foster Care, All Ages Male & Female	\$ 497.92	\$ 532.14	\$ 14.70	\$ 1.27	\$ 4.18	\$ 20.15	\$ 518.08	\$ 552.29		
North	Breast and Cervical Cancer		BCC, All Ages Female	\$ 1,690.46	\$ 1,767.57	\$ 523.68	\$ 3.23	\$ 45.47	\$ 572.38	\$ 2,262.84	\$ 2,339.95		
North	LaCHIP Affordable Plan		All Ages	\$ 168.40	\$ 178.05	\$ 12.42	\$ 0.41	\$ 3.70	\$ 16.54	\$ 184.94	\$ 194.58		
North	HCBS Waiver		20 & Under, Male and Female	\$ 1,734.98	\$ 1,863.06	\$ 85.72	\$ 3.29	\$ 11.38	\$ 100.39	\$ 1,835.37	\$ 1,963.45		
North	HCBS Waiver		21+ Years, Male and Female	\$ 921.06	\$ 976.26	\$ 120.91	\$ 8.85	\$ 15.49	\$ 145.26	\$ 1,066.32	\$ 1,121.51		
North	Chisholm Class Members		Chisholm, All Ages Male & Female	\$ 1,062.82	\$ 1,147.14	\$ 74.98	\$ 2.80	\$ 8.71	\$ 86.49	\$ 1,149.31	\$ 1,233.62		
North	SBH - Chisholm Class Members		SBH - Chisholm, All Ages Male & Female	\$ 157.40	\$ 170.00	\$ -	\$ -	\$ -	\$ -	\$ 157.40	\$ 170.00		
North	SBH - Dual Eligible		SBH - Dual Eligible, All Ages	\$ 19.76	\$ 20.54	\$ 0.75	\$ -	\$ 0.01	\$ 0.76	\$ 20.52	\$ 21.30		
North	SBH - HCBS Waiver		SBH - 20 & Under, Male and Female	\$ 71.50	\$ 76.95	\$ 6.12	\$ -	\$ 0.10	\$ 6.22	\$ 77.72	\$ 83.18		
North	SBH - HCBS Waiver		SBH - 21+ Years, Male and Female	\$ 71.29	\$ 74.15	\$ 13.33	\$ -	\$ 0.08	\$ 13.41	\$ 84.70	\$ 87.56		
North	SBH - Other		SBH - Other, All Ages	\$ 168.19	\$ 174.88	\$ 62.60	\$ -	\$ 0.29	\$ 62.89	\$ 231.08	\$ 237.77		
North	Maternity Kickpayment		Maternity Kickpayment, All Ages	\$ 5,447.63	\$ 5,565.97	\$ 3,380.68	\$ -	\$ 166.21	\$ 3,546.89	\$ 8,994.52	\$ 9,112.86		

Notes:

1- Rate Cells with a 0% are set on a statewide basis.

2- Claims PMPM adjusted for statewide rate cells.

3- FMP amounts include premium tax.

F = B + D

G = C + E

Q = (I * (1 + M) + K) / (1 - O - P)

R = (J * (1 + N) + L) / (1 - O - P)

V = S + T + U

W = Q + V

X = R + V

Appendix L: Data Reliance Letter

Bobby Jindal
GOVERNOR



Kathy H. Kliebert
SECRETARY

State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

September 15, 2015

VIA ELECTRONIC MAIL ONLY


Mr. Jared Simons, ASA, MAAA
Senior Associate Actuary
Mercer Government Human Services
3560 Lenox Road, Suite 2400
Atlanta, GA 30326

Subject: Capitation Rate Certification for the Bayou Health Program – Implementation
Year (February 1, 2016 through January 31, 2017)

Dear Jared:

I, Jen Steele, Medicaid Deputy Director, for the State of Louisiana's Department of Health and Hospitals (DHH), hereby affirm that the data prepared and submitted to Mercer Government Human Services Consulting (Mercer) for the purpose of certifying the February 1, 2016 through January 31, 2017 Bayou Health Rates were prepared under my direction, and to the best of my knowledge and belief, are accurate, complete, and consistent with the data used to develop the capitation rates. This data includes calendar years 2013 and 2014 fee-for-service (FFS) data files, managed care organization submitted encounter data, pre-paid inpatient health plans-submitted encounter data, and supplemental information on payments made outside of Louisiana's Medicaid Management Information Systems.

Mercer relied on DHH and its fiscal agent for the collection and processing of the FFS data, encounter data, and other information used in setting these capitation rates. Mercer did not audit the data, but did assess the data for reasonableness as documented in the rate certification letter.



Signature

9/15/15

Date